
ANNUAL PERFORMANCE REPORT

1994

MINNESOTA DEPARTMENT OF ADMINISTRATION

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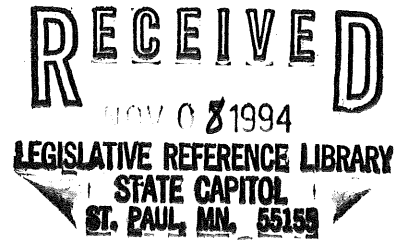
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1. The first part of the report discusses the overall performance of the organization in 1994. It highlights the key achievements and challenges faced during the year.

2. The second part of the report provides a detailed analysis of the financial performance. It includes a breakdown of revenue, expenses, and profit, along with a comparison to the previous year.

3. The third part of the report focuses on the operational performance. It examines the efficiency of the various departments and the quality of the products and services provided.

4. The fourth part of the report discusses the human resources performance. It covers the recruitment, training, and development of the staff, as well as the overall employee satisfaction.

5. The fifth part of the report provides a summary of the key findings and recommendations for the future. It identifies the areas where the organization needs to improve and suggests specific actions to be taken.

AGENCY: Administration, Department of

MISSION:

The Department of Administration's mission is to provide business management and administrative services that improve the productivity and quality of Minnesota government.

We primarily serve other state agencies. In 1994, the department received broad statutory authorization to serve local government, and we are beginning to expand our services to them. In the past, the department provided only limited services to local government.

In 1992, the department undertook a major strategic planning effort to redefine its mission in order to better serve state and local government agencies. With the input of department employees, legislators, and state and local government "customers," we examined every Admin activity to determine which enterprises best fit the department's new mission.

We use five criteria to determine which enterprises should be continued, which should be curtailed, which should be developed and expanded, and which should be targeted for quality or productivity improvements. The criteria include:

1. The enterprise's primary customers should be state or local government agencies.
2. The enterprise's products and services must improve customers' quality and productivity.
3. The enterprise must be financially sound. For fee-based enterprises, this means the enterprise is able to generate sufficient cash for operations. For programs and activities supported by direct legislative appropriations, this means that there are sufficient funds to provide quality products and services.
4. Admin must be the best strategic fit.
5. The enterprise meets a legislative mandate that is still relevant and appropriate.

Eighty percent of the department's operations are fee-based operations. Examples include data processing, printing, vehicle rental, and sale of office supplies. The remaining twenty percent are statewide management, leadership, or oversight activities supported by direct legislative appropriations. These include information management policy, building construction, purchasing, and contracting.

The department has adopted a broad strategy of introducing greater competitive market forces into Admin as a means of improving customer service, increasing business discipline, and enhancing quality and productivity in its fee-based enterprises. Strategically, this means that:

1. Admin will only offer products and services in demand by customers.
2. Admin will offer a product or service only when it is the best provider; that is, when Admin meets customers' quality requirements at the lowest cost. Included in our definition of quality are statutorily mandated social requirements such as environmental, energy efficiency, security, and safety standards.
3. Whenever possible, customers will not be mandated to use Admin products and services. Admin will impose monopolies only when it saves money statewide.
4. Whenever possible and feasible, Admin will charge fees for its products and services. General fund appropriations should only be used to support statewide management, leadership, or oversight activities.

Using the strategic planning and competitive market criteria, we have determined that the department's primary enterprises are:

Information management: computer operations, data services, telecommunications

Information policy: data and technology policies, standards and guidelines; information planning and government data practices

Facilities management: building construction; building, maintenance, and ground services; energy management; resource recovery services; delivery and moving services; parking services; leasing; and building codes and standards

Operations management: contracting and purchasing services, sale of office supplies, sale of surplus property, printing services, sale of state documents, mailing services, micrographic and records storage services, risk management and travel management

Management consulting

Administrative services: statewide employee assistance, fiscal and personnel services for the department, grants administration and administrative support to services to several small programs and agencies.

Our performance report focuses on the department's primary enterprises. We, however, have not included internal administrative functions. Also not included in the report are several smaller programs housed in the department, for which the department's principal role is to provide administrative support. These include the Minnesota Office on Volunteer Services, the Developmental Disabilities Council, the Council on Assistive Technology for People with Disabilities, and the Intergovernmental Information Systems Advisory Council. We have also not included in our report administration of public television and radio grants and federal oil overcharge funds since the legislature decides the grant awards and our role is strictly administrative.

GOALS:

To provide quality goods and services in a cost-effective, timely manner to simplify the operations of government.

To satisfy the needs of customers for quality goods and services within the statutory requirements.

To provide a statewide design and structure for effectively utilizing the resources of information technology by government and citizens.

To maximize the use of the state's financial resources for capital investments by providing long-term planning, construction oversight, and facility management.

Table 1:*

<u>Program</u>	<u>Estimated Expenditures (\$ in Thousands)</u>	<u>Percent of Total</u>	<u>FTE Staff Positions</u>	<u>Percent of Total</u>
Operations Management	\$37,787	28	146.8	20
InterTechnologies	59,246	45	246.8	33
Facilities Management	33,699	25	286.9	39
Administrative Management	391	0	6.4	1
Information Policy Office	1,406	1	20.4	3
Management Analysis	1,640	1	28.8	4
<u>Totals</u>	<u>\$134,169</u>	100	736.1	100

* These dollars represent only those programs/activities included in this performance report, and will not total Admin's annual budget. See list of exclusions in the appendix.

ORGANIZATION:

The Department of Administration is organized into six programs/bureaus: Operations Management Bureau, InterTechnologies Group, Facilities Management Bureau, Administrative Management Bureau, Information Policy Office, and Management Analysis. Most of the activities within these programs provide services to other units of state and/or local government.

Admin's budget has historically been divided as follows:

Revolving Funds: 74.9%
 Other Funds: 13.4%
 General Funds: 10.7%
 Grants
 (non-operating): 1.0%

WAYS TO IMPROVE PROGRAM OUTCOMES:

To improve the department's performance and service delivery, we recommend the following changes in current laws:

- Revise state purchasing and contracting statutes, which date to the 1940s, to reflect today's market realities and enable the state to get better value in the goods and services it purchases.
- Revise state statutes on information technology and telecommunications so that the state can take better advantage of changing technology and markets.
- Revise state statutes to provide the state with more options to use in acquiring and financing state facilities.
- Eliminate a number of process-oriented mandates so that the department can operate more like a private sector business.
- Authorize the department to partner with private businesses to provide services to state and local government agencies.
- Repeal a number of statutory paperwork requirements, such as eliminating reports that few people read and reducing the number of approvals required on routing contracts, so that the department can focus more on outcomes and bottom-line results.

SUMMARY

AGENCY: Administration, Department of
PROGRAM: 01 - Operations Management Bureau - Risk Management

EXPENDITURES AND STAFFING (F.Y. 1994)

(\$ in Thousands)

Total Expenditures:	\$ 3,339
From State Funds	\$
General	\$
Revolving	\$ 3,339
Other	\$
From Federal Funds	\$

Number of FTE Staff: 3.6

PROGRAM GOALS:

Maintain the Risk Management Fund as a low cost alternative to the purchase of conventional insurance. Automobile liability was the first coverage provided by the fund, but it has been expanded to include automobile physical damage, general liability, and other miscellaneous property coverages. (M.S. 16B.85)

Effectively manage the insurance and risk management services provided to state agencies. These services range from advice and consultation to the actual procurement of insurance coverage in the commercial market or alternatively in the risk management fund. (M.S. 16B.85)

DESCRIPTION OF SERVICES:

The Risk Management Division was created in 1986 in response to the rapid increase in the premium for the state's automobile fleet and other purchased insurance, and the concern that conventional insurance would not be available in the future. The Commissioner of Administration is empowered to implement programs of insurance or alternatives to the purchase of conventional insurance. The main vehicle for implementing this provision is the Risk Management Fund.

PROGRAM DRIVERS:

Increases in medical and health care costs, automobile repair costs, and legal expenses create challenges to the division in keeping its rates as low as possible.

The fact that accidents are random events provides a challenge to the division in maintaining the fiscal integrity of the risk management fund.

AGENCY: Administration, Department of
PROGRAM: Operation Management Bureau - Risk Management

OBJECTIVE, MEASURE

Objective 1: Maintain an annual expense ratio 15 percent less than the industry average. This is a measure of our ability to control costs.

Measure (1): Ratio of expenses to earned premium
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Actual Performance

FY 87	FY 88	FY 89	FY 90	FY 91	FY 92	FY 93	FY 94	FY 95	FY 96	FY 97
27.0%	21%	16%	29%	17%	38%	23%	23%	15%e	15%e	15%e

Definition: This is the ratio of loss adjusting expenses, legal expenses, and operating expenses to earned premium. The industry average is 40 percent which is higher than our results because it includes items such as profit, premium and other taxes, and commissions. These items constitute about 25 percent of the industry loss ratio; if they were removed, the industry average would be 30 percent.

Rationale: We have some, although not complete, control over the expenses we incur. This measure will indicate how well we manage our expenses.

Data source: Risk Management Information System

Discussion of past performance: We have come close to achieving this goal over the past 8 years. We do not have complete control over loss adjusting expenses and legal expenses. Loss adjusting expenses vary directly with the number and types of claims that occur. Legal expenses depend upon our degree of liability. If we are not liable for the claim that is brought, it may be worth while to incur legal expenses to provide a defense against the claim. Even if we are liable, it is often necessary to retain legal services to expedite the settlement of the claim.

Objective 2: One year after a policy year ends the reserves to pay claims in the risk management fund for that policy year are at least 85 percent of the actual amount required to pay claims for that policy year.

Measure (1): Ratio of reserves one year after the end of the policy year to the reserves as of the most recent valuation date.
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Actual Performance	<u>F.Y. 1992</u>	<u>F.Y. 1993</u>	<u>F.Y. 1994</u>	<u>F.Y. 1995</u>	<u>F.Y. 1996</u>	<u>F.Y. 1997</u>
	> 85%	> 95%e	> 95%e	> 95%e	> 95%e	> 95%e

DEFINITION, RATIONALE, DATA SOURCE:

Definition: When a claim occurs, an estimate is made as to what that claim will ultimately cost. This amount is then reserved for the payment of that claim. As additional information is obtained, the reserve is revised with the new information. When the claim is settled and closed, the ultimate (actual) cost of the claim becomes known. It may take several years for this to happen with some claims. Since the ultimate reserves are not known until the policy period has closed, we use the reserves as of the most recent June 30 valuation date as a proxy. Policy years that are less than two years old cannot be measured because not enough time has elapsed to differentiate the numerator and denominator.

Rationale: The reserves are measures of liabilities against the risk management fund. These liabilities need to be estimated as reliably as possible so that the risk management fund maintains its capacity to pay claims while not being over funded. Reliable reserve estimates are also required to develop accurate rate packages.

Data Source: Advisory Committee Quarterly Reports

Objective 3: For each policy year maintain a combined loss and expense ratio of 100 percent or less.

Measure (1): Ratio of incurred losses and expenses to premiums earned.
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Actual Performance

FY 88	FY 87	FY 89	FY 90	FY 91	FY 92	FY 93	FY 94	FY 95	FY 96	FY 97
94 %	94 %	94 %	96 %	92 %	182 %	89 %	100 %	100 %e	100 %e	100 %e

Definition: This is the ratio of incurred losses, loss adjustment expenses, legal expenses, and operating expenses to premiums earned. This is a standard measure in the insurance industry to measure underwriting profit.

Rationale: Although the risk management division does not make a profit, this measure indicates our performance in maintaining the financial integrity of the fund. It indicates that the premiums collected plus the investment earnings on those premiums are sufficient to pay claims that come due.

Data source: Risk management information system.

Discussion of Past Performance: The loss ratios during the first three years of the program were actually much less than 100 percent. Since the experience in these years was favorable, we paid back the excess earned premium in the form of a dividend. Dividends are declared 36 months after the end of the policy year at the earliest and are paid back over a 4 year period. The effect of dividend payments is to raise the loss ratio in those years for which dividends are paid. These loss ratios will eventually approach 100 percent.

FY 92 was a year in which the loss experience was very poor. The reasons for this deterioration were several bad accidents. In FY 94 there was another severe accident involving a snowplow. Although we are not aware of any negligence on the part of the snowplow operator, we must maintain a sufficiently high reserve for this accident because litigation is expected. These accidents illustrate the fact that the risk management fund must be managed conservatively so that it has sufficient reserves to cover the occasional severe accident(s) in a year.

SUMMARY

AGENCY: Administration, Department of
PROGRAM: 01 - Operations Management Bureau - Materials Management

EXPENDITURES AND STAFFING (F.Y. 1994)

(\$ in Thousands)

Total Expenditures:	\$ 9,223
From State Funds	\$
General	\$ 2,902
Revolving	\$ 6,321
Other	\$
From Federal Funds	\$

Number of FTE Staff: 77.7

PROGRAM GOALS:

Goal 1: Provide the greatest value to state and local government through efficient and effective acquisition of products and services. (M.S. 16B.04, Subd. 2 and 16B.09, Subds. 1 & 5)

Goal 2: Carry out the mandate to achieve social and environmental goals through the acquisition of products and services for state (and local) government. (M.S. 16B.19, 16B.121)

Goal 3: Provide services which meet customer expectations.

Goal 4: Provide customers with responsible and cost-effective surplus property disposition services. (M.S. 16B.28 & 29)

DESCRIPTION OF SERVICES:

The Materials Management Division provides responsible material and service acquisition and property disposition through professional, timely, and worthwhile services meeting customer expectations. The division's services include: purchasing, small business procurement, cooperative purchasing program for political subdivisions, central stores, environmental purchasing, state and federal surplus property management, and professional and technical service contract management.

BACKGROUND INFORMATION:**MEASURES OF ACTIVITIES (A), WORKLOAD (W), UNIT COSTS (UC), OTHER DATA (O)**

<u>Type</u>	<u>Measure</u>	<u>F.Y. 1993</u>	<u>F.Y. 1994</u>
W	Number of purchase orders fulfilled	6698	6371
A	Dollar value of direct acquisition purchases	\$61,694,877	\$71,881,058
A	Dollar value of purchases from contracts	\$196,000,00	\$237,100,00
W	Number of commodity contracts	1317	1364
W	Percentage of commodity contracts awarded small businesses (as defined in MS 16B)	26.1%	27.7%
W	Number of certified Targeted Group and/or Economically Disadvantaged vendors	858	1047
A/W	Number of certified Targeted Group and/or Economically Disadvantaged vendors awarded contracts	218	N/A
W	Percentage of construction dollars awarded to Targeted Group and/or Economically Disadvantaged vendors	15.4%	13.5%
A/W	Number of members in cooperative purchasing program	269	297

PROGRAM DRIVERS:

The Materials Management Division provides services primarily to other state agencies to enable them to purchase materials and services, then dispose of them at the end of their life cycle.

The division is committed to providing quality services to its customers and has customer service as the centerpiece of its mission. At the same time, the division is responsible for providing the greatest value to these customers by assuring that products and services are acquired from the lowest responsible bidder meeting specifications and also for using state purchasing power to achieve social and environmental goals. These responsibilities, while not incompatible, sometimes present challenging situations.

AGENCY: Administration, Department of

PROGRAM: Operations Management Bureau - Materials Management

OBJECTIVE, MEASURE

Objective 1: Maintain annually a purchase order processing time of 19 days.

Measure (1): Purchase order processing time (in working days)

Actual Performance	<u>F.Y. 1992</u>	<u>F.Y. 1993</u>	<u>F.Y. 1994</u>	<u>F.Y. 1995</u>	<u>F.Y. 1996</u>	<u>F.Y. 1997</u>
	19.7	19.9	19.6	19.6e	19e	19e

DEFINITION, RATIONALE, DATA SOURCE:

DEFINITION: Total number of working days required to process all purchase orders (processing time starts the day the MR is entered by the agency and ends the day Administration enters the purchase order) divided by the total number of purchase orders for the period of one (1) year.

RATIONALE: This measure directly evaluates the efficiency and effectiveness of Administration's direct acquisition purchasing services. Quick turn-around provides agencies with the goods and services they need in a timely manner, allowing them to better manage their inventory and providing them with a consistent response on which they can rely.

DATA SOURCE: PALS, the automated purchasing system.

DISCUSSION OF PAST PERFORMANCE:

Purchase order processing time showed a steep decrease during the period leading up to FY 1992. The decrease was due to the delegation of more and higher levels of purchasing authority to the agencies, better and increased training of agency staff and other internal re-engineering.

PLAN TO ACHIEVE TARGETS:

Increase delegated authority and provide additional training.

OTHER FACTORS AFFECTING PERFORMANCE:

Purchase order processing time is, of course, affected by the number of requests in hand at any one time; volume increases and decreases in a sometimes, but not always, predictable pattern. The division has delegated the authority for making purchases under \$1,500.00 to most state agencies; this has and will continue to affect this processing time because the remaining purchases (those over \$1,500.00) tend to be the more complex and time-consuming.

Learning curves for the new purchasing system will definitely affect processing time.

Objective 2: Maintain savings (difference between actual purchase price and "market price") accruing to agencies as a result of centralized acquisition services.

Measure (1): Savings to agencies (\$'s in millions)

Actual Performance	<u>F.Y. 1992</u>	<u>F.Y. 1993</u>	<u>F.Y. 1994</u>	<u>F.Y. 1995</u>	<u>F.Y. 1996</u>	<u>F.Y. 1997</u>
Direct Acquisition	\$ 3.9	3.9	5.1	5e	5e	5e
Contracts	\$46.3	47.5	55.3	50e	50e	50e

DEFINITION, RATIONALE, DATA SOURCE:

DEFINITION: Direct acquisition savings are calculated by subtracting the actual amount of the purchase from the estimated amount (usually supplied by the customer/agency).

Contract savings are calculated by comparing the total estimated purchases from a contract with the estimated amount which would have been spent had the purchases not been made from a contract; for example: the direct acquisition price when purchasing a single item; the normal retail cost; other vendors' prices; the contract vendor's non-discounted prices; pump prices (for fuel), etc.

RATIONALE: This is a direct measure of how central purchasing provides monetary value to customer agencies.

DATA SOURCE: Compiled using PC-based system.

DISCUSSION OF PAST PERFORMANCE:

Until recently, it was difficult to measure performance in this area. The focus has been on sharpening the measurement techniques. Savings have also increased over the past seven to eight years due to the development of long term, bulk purchase contracts which generally provide better pricing than single item acquisition purchasing.

PLAN TO ACHIEVE TARGETS:

AGPS (Advanced Government Purchasing System), the purchasing system to be implemented in FY95, will provide better measurement information.

OTHER FACTORS AFFECTING PERFORMANCE:

The total volume of purchasing done within a specified period may vary. There may be greater or lesser savings depending on the product mix in a specified period.

Objective 3: Maintain the savings accruing to governmental customers (eligible donee organizations) as a result of purchasing state/federal surplus property.

Measure (1): Annual total of the "when new" price of all surplus property purchased by customers minus the actual purchase price of that property.

Actual Performance	<u>F.Y. 1992</u>	<u>F.Y. 1993</u>	<u>F.Y. 1994</u>	<u>F.Y. 1995</u>	<u>F.Y. 1996</u>	<u>F.Y. 1997</u>
	N/A	N/A	N/A	To be developed after baseline established	To be developed after baseline established	To be developed after baseline established

DEFINITION, RATIONALE, DATA SOURCE:

DEFINITION: Original federal acquisition price for all federal surplus property minus the selling price of the property = savings to customers.

RATIONALE: This is a measure of the value added by the surplus operations activity in providing property at below market value and although it does not include all property sold, it does represent approximately 90 percent of the property brokered by Surplus Operations.

DATA SOURCE: Federal government installations.

DISCUSSION OF PAST PERFORMANCE:

More and better property has become available, especially from the federal government in the last several years due, in part, to cutbacks in military installations. Also, property selection began to be matched increasingly with demonstrated customer needs.

PLAN TO ACHIEVE TARGETS:

Installation of automated inventory system will provide ability to better track savings.

OTHER FACTORS AFFECTING PERFORMANCE:

We are not, at this time, anticipating setting a goal to increase savings. An increase can be accomplished only by: lowering prices at the surplus warehouse, selling more, and/or increasing the amount of property entering the surplus property. Margins are already low so lowering prices is not an option; sales depend on a buyer having the funds to buy; and the amount of property depends, in part, simply on what is made available, or requires additional staff to screen additional property.

Objective 4: Maintain Central Stores' average order fill turn-around time.

Measure (1): Central Stores' average order fill turn-around time (in working days).

Actual Performance	<u>F.Y. 1992</u>	<u>F.Y. 1993</u>	<u>F.Y. 1994</u>	<u>F.Y. 1995</u>	<u>F.Y. 1996</u>	<u>F.Y. 1997</u>
	2.5	2	2	1.5e	1.5e	1.5e

DEFINITION, RATIONALE, DATA SOURCE:

DEFINITION: Days, measured from the date order is received to the date shipped.

RATIONALE: This measure directly evaluates the efficiency and effectiveness of Central Stores' distribution services. Quick turn around provides agencies with the goods they need in a timely manner, allowing them to better manage their inventory and providing them with a consistent response on which they can rely.

DATA SOURCE: Management reports.

DISCUSSION OF PAST PERFORMANCE:

Changing warehouse layout to provide easy access to frequently ordered products as well as other technological improvements have brought performance on this measure to a level which we would now like to maintain.

PLAN TO ACHIEVE TARGETS:

Use of electronic ordering with direct links to suppliers will allow us to maintain and possibly decrease order turn-around time.

OTHER FACTORS AFFECTING PERFORMANCE:

Product availability, timely delivery services, and sufficient staff to meet cyclical sales volume can affect average order fill turn-around time.

Objective 5: Increase to 10 percent (Direct Acquisition)/ 5 percent (Contracts) dollars awarded to targeted group and/or economically disadvantaged (TG/ED) vendors.

Measure (1): Percentage of purchase/contract dollars awarded to TG/ED vendors.

Actual Performance	<u>F.Y. 1992</u>	<u>F.Y. 1993</u>	<u>F.Y. 1994</u>	<u>F.Y. 1995</u>	<u>F.Y. 1996</u>	<u>F.Y. 1997</u>
Direct Acquisition	2.1%	3.5	8.9	9e	10e	10e
Contracts	N/A	<1%	3.1	5e	5e	5e

DEFINITION, RATIONALE, DATA SOURCE:

DEFINITION: State purchasing and contracting dollars awarded to TG/ED vendors as a percentage of total state purchasing and contracting dollars awarded to all vendors.

RATIONALE: Increasing the amount of business done with Targeted Group/Economically Disadvantaged vendors will move toward the goal of proportional utilization required by M.S. 16B.19. Proportional utilization means that for each category of goods or services purchased, the state shall attempt to ensure that the percentage of purchasing from each type of targeted group business is proportional to the representation of that targeted group among all businesses in the state in the purchasing category. The purpose for the program to achieve proportional utilization is to remedy the effects of past discrimination.

DATA SOURCE: SWA, PALS, PC-based systems.

DISCUSSION OF PAST PERFORMANCE:

Performance on this measure has improved because of renewed emphasis on setting and achieving goals and greater scrutiny of purchasing opportunities for targeted group and economically disadvantaged (TG/ED) vendor availability.

PLAN TO ACHIEVE TARGETS:

A major study planned for FY96 will provide better information on the extent to which proportional utilization has been achieved.

OTHER FACTORS AFFECTING PERFORMANCE:

Number of TG/ED businesses existing. Delegation of smaller dollar purchases to agencies and increased efforts to do business with correctional industries reduce the opportunities to contract with TG/ED vendors.

Objective 6: Maintain the number of dollars spent on environmentally responsible products and services.

Measure (1): Dollars spent by agencies on environmentally responsible products and services. (Dollars in millions)

Actual Performance	<u>F.Y. 1992</u>	<u>F.Y. 1993</u>	<u>F.Y. 1994</u>	<u>F.Y. 1995</u>	<u>F.Y. 1996</u>	<u>F.Y. 1997</u>
Direct Acquisition	N/A	\$17	19.2	15e	16e	17e
Contracts	\$ 4.9	8.5	21	22e	23e	24e

DEFINITION, RATIONALE, DATA SOURCE:

DEFINITION: Amount spent by state agencies on products and services which meet certain criteria of environmental responsibility, e.g., contain recycled materials; are remanufactured or rebuilt; or are reusable, waste reducing, recyclable, less (or non) toxic, or more efficient when compared to a previously used product.

RATIONALE: Environmentally responsible purchasing is required by Chapter 16B.121, 122, 123 and Chapter 115A.15.

DATA SOURCE: Administration records; data compiled manually.

DISCUSSION OF PAST PERFORMANCE:

Factors affecting performance are: greater product availability, better quality products, and greater agency acceptance.

PLAN TO ACHIEVE TARGETS:

Use of joint purchasing agreements with other states and jurisdictions (where appropriate) to increase purchasing power and seek lower prices on recycled content products. Educational efforts to promote purchasing for waste reduction and pollution prevention.

OTHER FACTORS AFFECTING PERFORMANCE:

Administration provides purchasing services and contracts to agencies, but does not make final buying decisions for them. The goal for direct acquisition purchasing is affected by the delegation to agencies for certain purchases.

Objective 7: Maintain annually a customer satisfaction rating in accordance with baseline established.

Measure (1): Ratings on interviews or surveys conducted with clients.

<u>Actual Performance</u>	<u>F.Y. 1992</u>	<u>F.Y. 1993</u>	<u>F.Y. 1994</u>	<u>F.Y. 1995</u>	<u>F.Y. 1996</u>	<u>F.Y. 1997</u>
	N/A	N/A	N/A	To be developed after baseline established	To be developed after baseline established	To be developed after baseline established

DEFINITION, RATIONALE, DATA SOURCE:

Annual customer satisfaction surveys are not yet in place.

DISCUSSION OF PAST PERFORMANCE:

Have done a variety of customer input surveys over the past five (5) years; surveys generally have provided narrative feedback but do not have objective, measurable rating baseline.

PLAN TO ACHIEVE TARGETS:

Work with other activities to develop formal customer survey; investigate using random, immediate customer telephone follow-ups. Communicate the new role of the division to customers and establish customer expectations.

OTHER FACTORS AFFECTING PERFORMANCE:

Need to follow legislative mandates.

Objective 8: Increase percentage of products delivered "on-time" as requested by agencies.

Measure (1): Percent of product delivered on time as requested by agencies.

Actual Performance	<u>F.Y. 1992</u>	<u>F.Y. 1993</u>	<u>F.Y. 1994</u>	<u>F.Y. 1995</u>	<u>F.Y. 1996</u>	<u>F.Y. 1997</u>
	79%	84%	79.6%	N/A		

DEFINITION, RATIONALE, DATA SOURCE:

DEFINITION: The number of orders delivered at or before the time requested (by the agency on the original purchase order) divided by the total number of orders delivered.

RATIONALE: This measure evaluates the efficiency and effectiveness of Administration's purchasing services. On-time delivery provides agencies with the goods and services they need in a timely manner, allowing them to better manage their inventory and providing them with a consistent response on which they can rely.

DATA SOURCE: PALS

DISCUSSION OF PAST PERFORMANCE:

The current automated purchasing system (PALS) does not provide the precise information needed to measure progress on this goal. Past performance has provided us only with approximate data. Because of this, the use of this goal is being suspended until FY 96 when accurate information should be available from the new statewide procurement system.

PLAN TO ACHIEVE TARGETS:

Better communicate normal lead time (based on type of product ordered) to customers.

OTHER FACTORS AFFECTING PERFORMANCE:

Fluctuation in the availability of products in the market.

Objective 9: Increase by 7 percent the total return of revenue to state agencies and local units of government as a result of sale of surplus property by the Surplus Operations activity.

Measure (9): Total annual revenues received by state agencies and local units of government as a result of sale of surplus property by the Surplus Operations activity.

Actual Performance	<u>F.Y. 1992</u>	<u>F.Y. 1993</u>	<u>F.Y. 1994</u>	<u>F.Y. 1995</u>	<u>F.Y. 1996</u>	<u>F.Y. 1997</u>
	C.Y. '92	C.Y. '93	C.Y. '94	C.Y. '95e	C.Y. '96e	C.Y. '97e
	\$2,155,000	\$2,996,000	\$1,607,000	\$2,755,800e	\$2,948,700e	\$3,155,100e
			(YTD)			

DEFINITION, RATIONALE, DATA SOURCE:

DEFINITION: Annual auction and garage sale revenue less 7 percent (administrative fee).

RATIONALE: Auction revenue represents the bulk, but not all, of the revenue returned to customer agencies. Efforts will be made to collect data for other property sold.

DATA SOURCE: Records at Surplus Operations.

DISCUSSION OF PAST PERFORMANCE:

Increases due to better screening of property, better advertising, and increased number of auctions.

PLAN TO ACHIEVE TARGETS:

Continue actions mentioned above. Also, broaden participation by local government.

OTHER FACTORS AFFECTING PERFORMANCE:

Performance is affected by the degree of public participation, the availability of property to be sold, and the need to have more auctions in greater Minnesota even though they tend to generate less revenue.

SUMMARY

AGENCY: Administration, Department of
 PROGRAM: 01 - Operations Management - Travel Management

EXPENDITURES AND STAFFING (F.Y. 1994)

(\$ in Thousands)

Total Expenditures:	\$	5,864
From State Funds	\$	
General	\$	
Revolving	\$	5,637
Other	\$	227
From Federal Funds	\$	

Number of FTE Staff: 16.1

PROGRAM GOALS:

Saving the state money by providing state employees with cost efficient and effective ground transportation alternatives in the conduct of state business.

DESCRIPTION OF SERVICES:

To manage the state's fleet of vehicles for maximum cost effectiveness by leasing vehicles at very low rates to various state agencies.

BACKGROUND INFORMATION:**MEASURES OF ACTIVITIES (A), WORKLOAD (W), UNIT COSTS (UC), OTHER DATA (O)**

<u>Type</u>	<u>Measure</u>	<u>F.Y. 1993</u>	<u>F.Y. 1994</u>
A	Total miles travelled	21,655	22,649
A	Number of daily reservations	6,116	6,633
A	Number of vehicles	1,227	1,304

PROGRAM DRIVERS:

Fuel and new vehicle prices, if increased substantially, would cause the Travel Management Division to increase their rates to cover costs.

AGENCY: Administration, Department of
PROGRAM: Operations Management - Travel Management

OBJECTIVE, MEASURE

Objective 1: To provide ground transportation at an annual cost of at least 110 percent less than private rental vehicle fleets.

Measure (1): Monthly vehicle rental rates compared to private vehicle rental rates.

Actual Performance	<u>F.Y. 1992</u>	<u>F.Y. 1993</u>	<u>F.Y. 1994</u>	<u>F.Y. 1995</u>	<u>F.Y. 1996</u>	<u>F.Y. 1997</u>
Private rental vehicle fleet rate above TMD rates.	66%	71%	119%	119%e	119%e	117%e

DEFINITION, RATIONALE, DATA SOURCE:

Difference between TMD rates for a compact size vehicle traveling 1200 miles and the cost to rent a private compact-size vehicle. Comparisons of other government fleets or commercial fleets are not as easy or as cost-effective to obtain.

DISCUSSION OF PAST PERFORMANCE:

Percentage between TMD rates and private rental vehicle fleets shows a tremendous difference in FY94 and FY95 because outside rental agencies increased their rates and TMD decreased theirs.

PLAN TO ACHIEVE TARGETS:

To keep rates stable by increasing efficiencies and marketing to agencies that are currently purchasing their own vehicles.

OTHER FACTORS AFFECTING PERFORMANCE:

Objective 2: To provide transportation to state employees at an annual cost of at least 2 percent less than private vehicle reimbursement expenditures.

Measure (1): Monthly vehicle rental rates compared to private vehicle reimbursement.
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Actual Performance	<u>F.Y. 1992</u>	<u>F.Y. 1993</u>	<u>F.Y. 1994</u>	<u>F.Y. 1995</u>	<u>F.Y. 1996</u>	<u>F.Y. 1997</u>
Private vehicle reimbursement rates above TMD rates.	7%	9%	9%	2%e	9%e	6%e

DEFINITION, RATIONALE, DATA SOURCE:

Difference between TMD rates for a compact-size vehicle traveling 1200 miles and the cost to pay an employee the highest private vehicle reimbursement rate for 1200 miles. In most instances, a state employee has a choice to use either their own vehicle or a state vehicle to conduct their business outside the metro area.

DISCUSSION OF PAST PERFORMANCE:

The difference in percentage from FY94 and FY95 was due to an unanticipated increase in vehicle purchases twice of what was planned which caused TMD rates to increase for FY95.

PLAN TO ACHIEVE TARGETS:

To keep TMD rental rates lower than private vehicle reimbursement rates by increasing efficiency and having vehicles available to state employees.

OTHER FACTORS AFFECTING PERFORMANCE:

SUMMARY

AGENCY: Administration, Department of
 PROGRAM: 01 - Operations Management Bureau - Print Communications

EXPENDITURES AND STAFFING (F.Y. 1994)

(\$ in Thousands)

Total Expenditures:	\$ 19,361
From State Funds	\$
General	\$ 471
Revolving	\$ 8,690
Other	\$ 10,200
From Federal Funds	\$

Number of FTE Staff:	101.6
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PROGRAM GOALS:

- Provide central duplicating, printing, and mail services for state agencies (M.S. 16B.50, 16B.49).
- Provide micrographic services and products for state agencies and to operate a records center (M.S. 16B.47, 16B.48).
- Sell official reports, documents, and other publications at market rates (M.S. 16B.51).
- Publish the *State Register* in accordance with the Administrative Procedures Act (M.S. 14).

DESCRIPTION OF SERVICES:

The Print Communications program provides a number of services and products in support of the department's mission and to assist state agencies in their daily operations. Providing these from a centralized program can increase delivery efficiencies of the products and services and reduce the associated costs. The specific products and services are grouped in the following operations:

- The Printing Services Operation includes a medium-size, full-service print shop as well as two satellite copy centers. The copy centers are located within the Capitol Complex and offer fast turn-around using xerographic equipment. As a full-service print shop, the operation can provide design, typesetting, and electronic output services. The print shop produces multi-colored printing, cutting, folding, and a variety of other finishing options.

- The Central Mail Operation offers full service mailing support to all state agencies. This includes metering and processing outgoing federal mail, sorting and delivering federal and state interoffice mail, and expert consulting on achieving cost-savings with the appropriate postal programs. In addition, the operation also offers mailing services for volume mailings that include: inserting documents, addressing envelopes by applying computer labels, and presorting mail and packaging mail ("bulk mail") to achieve postage savings.
- The Micrographics and Records Center Operation provides services which include micro-imaging of records to reduce storage and retrieval cost and to aid in disaster recovery capabilities.
- The Minnesota Bookstore Operation provides a centralized distribution point for state agency documents, reports, and other publications which are sold to the public at market rates. The Bookstore can also act as a publishing house for items. The department may remit a portion of the price of the product to the state agency which maintains responsibility for the item. In addition, the Bookstore also publishes the *State Register* which is the official weekly publication of the State of Minnesota. The Register contains official notices; rulemaking, contract, and bid information; executive orders of the governor; and commissioners' orders.

BACKGROUND INFORMATION:

MEASURES OF ACTIVITIES (A), WORKLOAD (W), UNIT COSTS (UC), OTHER DATA (O)

<u>Type</u>	<u>Measure</u>	<u>F.Y. 1993</u>	<u>F.Y. 1994</u>
	<i>Printing Services Operation</i>		
A	Number of printing and copy center requisitions	1,015/mo.	1,033/mo.
	<i>Central Mail Operation</i>		
W	Number of pieces of mail processed	32,500,000	31,800,000
	<i>Micrographics and Records Center Operation</i>		
W	Number of paper documents filmed	14,000,000	13,100,000
O	Number of boxes stored in Records Center	30,500	29,500
	<i>Bookstore Operation</i>		
A	Number of walk-in and mail-order customers	29,365	27,824
W	Number of incoming phone calls	62,290	58,300
O	Number of state agency items sold in Bookstore	550	510

PROGRAM DRIVERS:

- Geographical distribution of state agency operations. The geographical distribution of state agency operations, combined with the increased demands for faster delivery of products and services, increase the difficulty of providing satisfactory centralized and cost-effective support. This is especially significant for the Central Mail Operation.
- Agency purchasing autonomy and the "business" initiative. State agencies have increasing autonomy to decide where to purchase their products and services. They are not required to utilize the centralized state operations for printing, addressing, inserting, and records storage. If the centralized operations cannot provide services and products to state agencies that meet those agencies' requirements for value and cost-effectiveness, then the centralized operations should cease to exist. This thrust to have government operations, specifically these centralized services, run more like a business is an appropriate one for the activities of the Print Communications program. However, the challenge is one of running an efficient, competitive business within the state bureaucratic structure.

- State agencies' budgets. Reductions in agencies' budgets can result in agencies re-prioritizing their spending needs. This might mean that agencies decide to spend less to purchase the products and services provided by this program.
- Technology investments. Continuing and rapid advances in technology have an impact on all aspects of this program. Information technology advances in electronic access to government information will affect the printing, mailing, and bookstore operations. Digital processing of information and computer networking will affect printing, mailing, and microfilming. Strategies to incorporate technology advances must include careful evaluation of customer needs, investment costs, and employee training and skill issues.

AGENCY: Administration, Department of
PROGRAM: Operations Management Bureau - Print Communications

OBJECTIVE, MEASURE

Objective 1: Maintain pricing for printing jobs that is at least 5 percent below the average of private sector pricing for comparable products.

Measure (1): Comparison of private sector rate to state rate on comparable products.

Actual Performance	<u>F.Y. 1992</u>	<u>F.Y. 1993</u>	<u>F.Y. 1994</u>	<u>F.Y. 1995</u>	<u>F.Y. 1996</u>	<u>F.Y. 1997</u>
		33 %	28 % e	5 % e	5 % e	5 % e

DEFINITION, RATIONALE, DATA SOURCE:

Printing Services produces a variety of printing jobs. This measure will compare the average pricing for those jobs produced at Print Communications to the average pricing of those jobs produced by private sector printing companies.

To meet the program purpose, the printing services must be cost-effective. Comparing prices to those of private sector companies demonstrates the cost-effectiveness.

Annual benchmarking will be conducted with the assistance of an outside, objective entity. These comparisons will be done by creating a package of printing specifications for each job type, sending one or more of those specifications to representative private printing companies, and asking those companies for a price quote. At the same time, Print Communications will generate a price quote using its standard pricing policy and practices.

DISCUSSION OF PAST PERFORMANCE:

A printing operation requires periodic investments of new equipment and processes in order to meet customers' requirements for faster delivery and improved quality products. Over the past few years, the Printing Services Operation has not made these investments and, therefore, has been able to keep prices lower than many other private sector printing operations. In addition, the lower prices in Printing Services have resulted in generating sales that have been insufficient to cover expenses for several years (F.Y. 1991 - 1993). Prices were minimally increased in F.Y. 1994 to compensate, and equipment and technology investments are planned for F.Y. 1995/1996.

PLAN TO ACHIEVE TARGETS:

Plans include: replacement of aging equipment, implementation of strategies to achieve state-of-the-practice in digital technology, and improvements in processes and procedures.

OTHER FACTORS AFFECTING PERFORMANCE:

Printing Services' prices are also dependent upon achieving certain volumes of work as projected by production capacity planning. If the state agency customers reduce the amount of work they choose to have done at this operation, the pricing on jobs may need to be increased to offset the reduction in the number of jobs produced.

Objective 2:

Increase by one percent annually the percent of recycled paper purchased which has at least a ten percent content of post-consumer waste.

Measure (1): Percent increase over previous year.

Actual Performance	<u>F.Y. 1992</u>	<u>F.Y. 1993</u>	<u>F.Y. 1994</u>	<u>F.Y. 1995</u>	<u>F.Y. 1996</u>	<u>F.Y. 1997</u>
		74%	75% e	76%e	77%e	78%e

DEFINITION, RATIONALE, DATA SOURCE:

Print Communications purchases paper to be used in producing its printing jobs. In support of the environmental printing statutes (M.S. 16B.122), Print Communications has attempted to increase the number of jobs which are printed on recycled paper which have a minimum of 10 percent post-consumer waste. This measure is an indication of Print Communications' success in supporting the statutes. Support for the environmental printing statutes is important to improving the quality of state operations. Monthly reviews and annual statistics of Print Communications' paper purchase orders are utilized to measure this percentage.

DISCUSSION OF PAST PERFORMANCE:

Printing Services achieved great success in the launch of this initiative. Continued efforts have resulted in sustaining the success and slowly increasing the amount of recycled paper purchased. In addition, more paper vendors are able to offer recycled paper choices that meet printing customers requirements for appearance and price.

PLAN TO ACHIEVE TARGETS:

The Operation will continue with its approach to educate and influence customers to choose recycled paper.

OTHER FACTORS AFFECTING PERFORMANCE:

State agencies can justify exemption from statute which requires compliance when "practicable."

Objective 3: Achieve annually a 95 percent or better of same-day processing turnaround on first class mail.

Measure (1): Percentage of first class mail processed on the same day received.

Actual Performance	<u>F.Y. 1992</u>	<u>F.Y. 1993</u>	<u>F.Y. 1994</u>	<u>F.Y. 1995</u>	<u>F.Y. 1996</u>	<u>F.Y. 1997</u>
		--	98.4%	95%e	95%e	95%e

DEFINITION, RATIONALE, DATA SOURCE:

First class mail not processed the same day will be measured. The rationale is to measure service and dependability. The operation will keep track on a daily basis of the amount of mail that is not processed the same day.

DISCUSSION OF PAST PERFORMANCE:

This was not an activity that was measured prior to F.Y. 1994. The 1994 percentage reflects performance from November 1993 through June 1994.

PLAN TO ACHIEVE TARGETS:

Processing the daily mail to achieve this target performance requires ongoing monitoring of workload throughout the day. As needed, the manager of the operation will adjust resources to ensure that the target is met. Adjusting resources also requires that the total Central Mail staff continue to receive cross-training.

OTHER FACTORS AFFECTING PERFORMANCE:

It is difficult for the Central Mail Operation to predict daily mail volumes. Sudden increases in workload could occur at a time when it is not possible to marshal adequate resources to get the mail processed before day's end.

Objective 4: Increase images converted to microfilm by 500,000 per year.

Measure (1): Number of images converted over previous year.

Actual Performance	<u>F.Y. 1992</u>	<u>F.Y. 1993</u>	<u>F.Y. 1994</u>	<u>F.Y. 1995</u>	<u>F.Y. 1996</u>	<u>F.Y. 1997</u>
		14,000,000	13,100,000	13,600,000e	14,100,000e	14,600,000e

DEFINITION, RATIONALE, DATA SOURCE:

Images are counted as they are photographed; yearly totals are derived. The images represent original documents that are reduced in size by 98 percent, translating to space savings of the same percentage. Boxes of paper represent 1.5 cubic feet each which no longer need to be stored in expensive office space. Micrographic cameras provide automatic image counts, and totals are updated on demand.

DISCUSSION OF PAST PERFORMANCE:

Past performance on this measure does not necessarily indicate the likelihood of achieving future target projections. The Micrographics and Records Center Operation has not attempted much marketing outreach and education to encourage agencies to consider the value of their services. Finally, image count is the most quantitative measure that can be provided to express volume. However, this measure does not take into account other processes that may or may not be related to image count. In F.Y. 1993, an image-intensive job was discontinued, but the volume of work in the operation was actually increased through the use of procedures on other types of jobs.

PLAN TO ACHIEVE TARGETS:

The Micrographics and Records Center Operation is engaged in more extensive marketing efforts to better educate state agencies on the cost-effective alternative of microfilming. In addition, a new Records Management Consulting Service is being offered to further encourage state agencies to consider the value of this service. It is expected that these efforts will result in an ability to achieve the projected targets.

OTHER FACTORS AFFECTING PERFORMANCE:

Statewide budget problems have always had a significant effect on the unit. State agencies do not view this as a high priority service and feel it can be delayed during tight budget times.

Objective 5:

Provide Records Center retrieval of boxes/files within 24 hours or less upon receiving the retrieval request.

Measure (2): Percent of retrievals completed within 24 hours or less.

Actual Performance	<u>F.Y. 1992</u>	<u>F.Y. 1993</u>	<u>F.Y. 1994</u>	<u>F.Y. 1995</u>	<u>F.Y. 1996</u>	<u>F.Y. 1997</u>
		100%	100%	100%	100%	100%

DEFINITION, RATIONALE, DATA SOURCE:

To respond to customers' needs, we have established 24 hours as the maximum time between request and retrieval. Response time is monitored by on-site personnel. Deviations from a 24-hour response are documented and customers are notified. This turnaround time is a limit which customers find acceptable for retrieving records off their site.

DISCUSSION OF PAST PERFORMANCE:

Prior to F.Y. 1993, performance in this measure was not good. A significant factor was the increase in the workload due to the demands for hard-copy retrieval by the Department of Labor and Industry. Now that department's files are converted to microfilm, the workload for hard-copy retrievals is able to be managed by the Records Center staff.

PLAN TO ACHIEVE TARGETS:

The internal procedures will be maintained to ensure that the target performance is achieved. This is accomplished through ongoing monitoring and appropriate back-up planning.

OTHER FACTORS AFFECTING PERFORMANCE:

A sudden, unexpected and significant increase in demand for this service could affect the operation's ability to achieve target measures.

Objective 6: Increase by 5 percent annually the number of state agency products acquired for distribution.

Measure (1): Annual percentage increase in the number of state agency products.

Actual Performance	<u>F.Y. 1992</u>	<u>F.Y. 1993</u>	<u>F.Y. 1994</u>	<u>F.Y. 1995</u>	<u>F.Y. 1996</u>	<u>F.Y. 1997</u>
		35	42	44.1%	46.3%	48.6%

DEFINITION, RATIONALE, DATA SOURCE:

The number of state agency products that are carried in the Bookstore is tracked on an annual basis. This supports the mission of selling state agency products. Inventory records supply this data.

DISCUSSION OF PAST PERFORMANCE:

Performance in past years on this measure has been good. Efforts by the Bookstore Operation to market their services to state agencies have been successful.

PLAN TO ACHIEVE TARGETS:

As with previous years, the Bookstore Operation will continue with its marketing efforts, utilizing direct contact with agencies as well as other communication vehicles to promote its ability to effectively serve agency publishing and distribution needs.

OTHER FACTORS AFFECTING PERFORMANCE:

State agencies' financial ability to produce materials for distribution and sale to the public is a factor beyond the control of the Bookstore.

SUMMARY

AGENCY: Administration, Department of
 PROGRAM: 02 - InterTechnologies Group

EXPENDITURES AND STAFFING (F.Y. 1994)

(\$ in Thousands)

Total Expenditures:	\$ 59,246
From State Funds	\$
General	\$ 1,035
Revolving	\$ 54,114
Other	\$ 4,097
From Federal Funds	\$

Number of FTE Staff: 246.8

PROGRAM GOALS:

The mission of the InterTechnologies Group (InterTech) is to provide service in managing and operating information technology resources to help improve the quality and productivity of Minnesota government. By statute, InterTech is responsible for the following requirements:

- Integrate and operate the state's computer facilities to serve the needs of state government (16B.40, Subd. 2.);
- Supervise and control all state telecommunication facilities (16B.46); and
- Plan, develop, and operate a statewide telecommunications access routing system in order to provide cost-effective telecommunications transmission services to system users (16B.465, Subd. 1.).

To meet its statutory responsibilities, InterTech has established the following goals:

1. Meet customer agency needs for central data processing and telecommunications services;
2. Provide cost-effective central data processing and telecommunications services;
3. Ensure continued provision of critical services to citizens.

DESCRIPTION OF SERVICES:

InterTech services include data processing, telecommunications, and 9-1-1. Approximately 90 percent of the services are provided on a fee-for-service basis. The remaining 10 percent of InterTech's services directly benefit the state as a whole or serve its citizens. Therefore, these activities receive monies through the general funded (e.g., telephone communications center, telecommunications analysts) or through a special revenue fund (i.e., 9-1-1).

InterTech serves as the state's primary source of large-scale data processing and telecommunications services, including the voice, data, and imaging network. As such, InterTech's services are the primary mechanisms by which citizens receive public safety and public assistance services from other state agencies.

The revolving fund operation must achieve economies of scale to make new communications services affordable to InterTech's customers. To achieve these economies of scale, InterTech must have a strong customer focus and the state must shift from multiple networks to a single, unified network. A single, unified network supports "equal access without regard to geography."

Future directives for state telecommunications infrastructure should encourage the development of a unified statewide telecommunications system and discontinue the past practice of funding networks that are functionally, institutionally, or regionally fragmented. By their nature, these independent networks limit opportunities for sharing transmission or network operational costs to a subset of public sector users. In contrast, statewide telecommunications network services offer significant opportunities to take advantage of economies of scale throughout the public sector in Minnesota. A network of contemporary technology will permit the state to implement more efficient government operations, avoid the expense of maintaining outdated systems, and realize savings through economies of scale. As a result, Minnesota will more quickly benefit from a high-capacity, high-connectivity statewide network.

BACKGROUND INFORMATION:

For Fiscal Year 1994, InterTech has the following capacities and utilization volumes:

- Central Processing Units (2) with a capacity of 368 million instructions per second (MIPS)
- Disk storage for 1 terabyte (1,000 gigabytes) of data
- Tape storage for 51 terabytes (51,000 gigabytes) of data
- Long distance voice service of 48,000,000 minutes per year
- Information operators answer 300,000 calls per year
- Help desk responds to 68,400 calls per year
- Data network billings of \$7,000,000
- Emergency 9-1-1 service to state residents. 75 percent (enhanced); 12.5 percent (upgraded); 12.5 percent (basic).

MEASURES OF ACTIVITIES (A), WORKLOAD (W), UNIT COSTS (UC), OTHER DATA (O)

<u>Type</u>	<u>Measure</u>	<u>F.Y. 1993</u>	<u>F.Y. 1994</u>
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PROGRAM DRIVERS:

The InterTechnologies Group is committed to meeting its customers' information technology needs. This is accomplished by working with the customers to identify and provide appropriate, cost-effective data, voice, and image services that are consistent with state information policies.

Historically, periods marked by poor economic indicators and tight budgets have resulted in increased business for InterTech. The increase comes from two sources: larger numbers of citizens using public assistance systems and increased interest on the part of government agencies in leveraging technology to accomplish program goals.

In the future, state priorities - such as increasing efficiency of state government and Minnesota Milestones - will raise budget issues for InterTech. For example:

- State agencies will seek to automate both new and existing business processes, prompting InterTech to provide more technical resources.
- Government will provide more services in cooperation with private sector vendors.
- More business transactions will take place by means of electronic commerce.
- The press to provide greater public access to state data will increase.

AGENCY: Administration, Department of
PROGRAM: InterTechnologies Group

OBJECTIVE, MEASURE

Objective 1: InterTech will receive above-average customer service rating (i.e., a rating of 3.0 or better on a scale of 1.0 - 4.0) for key services, as rated by customers on an annual customer service survey.

Measure (1): Customer satisfaction with key services.

Actual Performance	<u>F.Y. 1992</u>	<u>F.Y. 1993</u>	<u>F.Y. 1994</u>	<u>F.Y. 1995</u>	<u>F.Y. 1996</u>	<u>F.Y. 1997</u>
Telecommunications Services						
Performance Target	N/A	N/A	3.0	3.3	*	*
Actual Performance	N/A	N/A	3.1			
Data Processing Services						
Performance Target	N/A	N/A	3.0	3.4	*	*
Actual Performance	N/A	N/A	3.2			

* See substantiation of measures for calculation methodology. Performance target is calculated based on previous year ratings of services.

DEFINITION, RATIONALE, DATA SOURCE:

Definition: Key services are defined as those for which customers' ratings averaged 3.0 or greater, indicating important or very important. In the FY94 survey, 27 services were measured, based on responses from 259 customers. Customers rated 15 of 21 data processing services as important and 8 of 11 telecommunications services as important. The reported satisfaction ratings are based on these services.

Rationale: Above-average satisfaction is defined as customer ratings averaging 3.0 or greater, indicating satisfied or very satisfied. The future year goal is to improve any services rated below 3.0 by at least 10 percent each year and to improve any services rated 3.0 or above by at least 5 percent each year, until a perfect score of 4.0 is achieved. InterTech will seek continuous improvement in this measure; emphasis will be placed on those services which do not receive a satisfactory rating.

Data Source: Annual customer satisfaction survey.

DISCUSSION OF PAST PERFORMANCE:

Prior to FY94, InterTech periodically surveyed customer agencies to determine their level of satisfaction with key services. With the emphasis on customer satisfaction stemming from Refocusing, this effort was expanded; surveys are now conducted annually.

PLAN TO ACHIEVE TARGETS:

Targets in future years will be based on the previous year's percent improvement.

OTHER FACTORS AFFECTING PERFORMANCE:

Objective 2: InterTech will achieve an annual customer satisfaction rating of 3.0 or greater (indicating satisfied or very satisfied on a scale of 1.0-4.0) from the chief information officers of key customer agencies.

Measure (1): Key customers' satisfaction rating.
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Actual Performance	<u>F.Y. 1992</u>	<u>F.Y. 1993</u>	<u>F.Y. 1994</u>	<u>F.Y. 1995</u>	<u>F.Y. 1996</u>	<u>F.Y. 1997</u>
Key Customer Satisfaction						
Performance Target	N/A	N/A	N/A	3.0	*	*
Actual Performance	N/A	N/A	N/A			

* See substantiation of measures for calculation methodology. Performance target is calculated based on previous year ratings of services.

DEFINITION, RATIONALE, DATA SOURCE:

Definition: A positive rating is defined as 3.0 or greater, indicating satisfied or very satisfied on a scale of 1.0 - 4.0.

Rationale: InterTech's "key customer" agencies include Finance, Human Services, Public Safety, Revenue, Transportation, Economic Security, Natural Resources, and Employee Relations. Together, they account for well over 90 percent of InterTech's data processing business and 50 percent of the telecommunications business. In-depth interviews will be conducted with each key customer, allowing a more detailed assessment of services than in Objective 1. The key customers will have their own weighted response instrument.

Data Source: Based on the opinions of CIOs of key customer agencies, as determined in interviews conducted by InterTech division directors.

DISCUSSION OF PAST PERFORMANCE:

An outcome of InterTech's focus on customer service was the assignment of director-level liaisons to key customer agencies' CIOs. Annually, InterTech will utilize this liaison relationship to conduct interviews with CIOs. This provides more of an agencywide perspective than the more broad-based customer satisfaction survey.

PLAN TO ACHIEVE TARGETS:

Because of the success of the key customer program, InterTech is expanding it to include more agencies; their CIOs will also participate in this survey.

OTHER FACTORS AFFECTING PERFORMANCE:

Objective 3: Beginning with a baseline target of 97 percent established for FY94, InterTech will continually improve the percentage of service level objectives met for the Department of Human Services during the fiscal year.

Measure (1): Percentage of service level objectives met for the Department of Human Services.

Actual Performance	<u>F.Y. 1992</u>	<u>F.Y. 1993</u>	<u>F.Y. 1994</u>	<u>F.Y. 1995</u>	<u>F.Y. 1996</u>	<u>F.Y. 1997</u>
Service Level Objectives Met						
Performance Target	N/A	N/A	97%	99%	*	*
Actual Performance	N/A	N/A	98%			

* See substantiation of measures for calculation methodology. Performance target is calculated based on previous year ratings of services.

DEFINITION, RATIONALE, DATA SOURCE:

Definition: The Department of Human Services is InterTech's single largest customer, accounting for a majority of InterTech's data processing business and a significant share of the telecommunications business. A recipient of federal funding, the Department of Human Services is required by the federal government to maintain a service level agreement with its data/telecommunication services provider. InterTech and the Department of Human Services negotiate a renewal to the service agreement each year. The agreement includes measures of online availability and response time for various types of transactions.

Rationale: Beginning with the baseline achieved in FY94, the target is to continually improve the percentage objectives achieved, based on the previous year's level of achievement. Changes were made to this objective based on the recommendations of the Legislative Auditor's Office.

Data Source: Monthly reports from InterTech's service-level management staff.

DISCUSSION OF PAST PERFORMANCE:

PLAN TO ACHIEVE TARGETS:

Since a high percentage of the service-level objectives are achieved (well over 90 percent), the annual increase target will be relatively small. InterTech will meet with the Department of Human Services to identify measures and to address problems with the measures.

OTHER FACTORS AFFECTING PERFORMANCE:

Objective 4: InterTech will maintain annual average costs at or below that described by Nolan/Norton and/or Gartner Group for comparable operations.

Measure (1): Cost per million instructions per second (MIP).
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Actual Performance	<u>F.Y. 1992</u>	<u>F.Y. 1993</u>	<u>F.Y. 1994</u>	<u>F.Y. 1995</u>	<u>F.Y. 1996</u>	<u>F.Y. 1997</u>
Data Processing Costs						
Performance Target	N/A	N/A	78*	*	**	**
Actual Performance	N/A	N/A	75*			

* \$1,000 per MIP

** See substantiation of measures for calculation methodology. Performance target is calculated when Nolan/Norton data is available.

DEFINITION, RATIONALE, DATA SOURCE:

Definition: Nolan/Norton produces a report annually that assesses the average operating costs for data centers of varying sizes. InterTech will use this data as a comparison baseline. Gartner Group provides a wide range of comparison information, trends, and projections in the information technology industry.

Rationale: In data processing, cost per unit of service delivered is very sensitive to economies of scale.

Data Source: Nolan/Norton

DISCUSSION OF PAST PERFORMANCE:

Using '90-91 data, Peat Marwick conducted a Cost and Services Management Study at InterTech. The results of this study showed InterTech's costs to be above the Nolan/Norton benchmark. In 1994, Waypoint Associates conducted another comparison of InterTech's costs with Nolan/Norton data, which showed InterTech's costs as much as 15 percent below those of comparable data centers.

PLAN TO ACHIEVE TARGETS:

InterTech will determine whether there are baselines available for telecommunications as well as for data centers.

OTHER FACTORS AFFECTING PERFORMANCE:

Objective 5: InterTech will be rated as a cost-effective provider as defined by an independent assessment against external, comparable operations.

Measure (1): Cost effective compared to other data centers.

Actual Performance	<u>F.Y. 1992</u>	<u>F.Y. 1993</u>	<u>F.Y. 1994</u>	<u>F.Y. 1995</u>	<u>F.Y. 1996</u>	<u>F.Y. 1997</u>
Telecommunications Services						
Performance Target	N/A	N/A	Yes	Yes		
Actual Performance	N/A	N/A	Yes			
Data Processing Services						
Performance Target	N/A	N/A	Yes	Yes	*	*
Actual Performance	N/A	N/A	Yes			

DEFINITION, RATIONALE, DATA SOURCE:

Definition: Evaluation of the cost effectiveness of the data center and telecommunications operation require complex study, the results of which are not easily represented by a single number or response. Subsequent years' responses to this measure will be substantiated by the executive summaries of the studies performed. Specific targets for future years will depend on the areas identified for improvement in the previous study; InterTech will provide the narrative explanation of these targets in each year's performance report.

Rationale: The measure will be conducted once in each biennium for telecommunication services and once in each biennium for data center services. The timing of measures will allow InterTech to implement improvements in the organization, as recommended by the previous study. The proposed schedule also takes into consideration the cost of such studies, both in fees and in staff resources.

Data Source: Various external firms; InterTech's financial statements.

DISCUSSION OF PAST PERFORMANCE:**PLAN TO ACHIEVE TARGETS:**

A variety of external firms provide this type of service. In order to gain the maximum benefit from the outside view, InterTech will not utilize the same firm for the review each time. Two studies conducted in 1993/94 indicate that InterTech's refocusing efforts have reversed the findings of the 1991 KPMG Peat Marwick study. InterTech will give special emphasis to improving areas identified in each study. Such emphasis will be continued until a satisfactory review is obtained.

OTHER FACTORS AFFECTING PERFORMANCE:

Objective 6: InterTech will continually increase the percentage of the critical processing workload on the enterprise servers and the percentage of critical data traffic workload on the network which is recoverable.

Measure (1): Percent of workload/traffic that is recoverable.

Actual Performance	<u>F.Y. 1992</u>	<u>F.Y. 1993</u>	<u>F.Y. 1994</u>	<u>F.Y. 1995</u>	<u>F.Y. 1996</u>	<u>F.Y. 1997</u>
Data Network Traffic Recoverable						
Performance Target	N/A	N/A	N/A	80%	*	*
Actual Performance	N/A	N/A	72%			
Data Processing Workload Recoverable						
Performance Target	N/A	N/A	50%	75%	*	*
Actual Performance	N/A	N/A	52%			

DEFINITION, RATIONALE, DATA SOURCE:

Definition: InterTech defines its critical data processing workload as the following systems: CJIS, MAXIS, CSES, MMIS, Human Resources, Payroll, Procurement, SWA, CACS. Critical data network traffic is defined as the traffic which supports human services and public safety systems.

Rationale: The systems and network traffic deemed "critical" will evolve over time. Currently, those listed would produce significant impact to the state's business operation if unavailable for use.

Data Source: Data is drawn from capacity planning and utilization reports for data processing, and from an assessment by InterTech's disaster recovery activity for network data traffic.

DISCUSSION OF PAST PERFORMANCE:

In FY94, the critical applications above (excluding MMIS) ran 198 MIPS at InterTech. The major system recoverable at this point was MAXIS, which consumes 52 percent of those MIPS.

PLAN TO ACHIEVE TARGETS:

Performance targets are calculated based on the previous year's activity.

OTHER FACTORS AFFECTING PERFORMANCE:

Objective 7: InterTech will support 9-1-1 enhanced services being available to an increasing percentage of the residents of the state.

Measure (1): Percent of Minnesota residents with enhanced 9-1-1.

Actual Performance	<u>F.Y. 1992</u>	<u>F.Y. 1993</u>	<u>F.Y. 1994</u>	<u>F.Y. 1995</u>	<u>F.Y. 1996</u>	<u>F.Y. 1997</u>
9-1-1 Enhanced Coverage						
Performance Target	N/A	N/A	N/A	80%	*	*
Actual Performance	N/A	N/A	75%			

DEFINITION, RATIONALE, DATA SOURCE:

Definition: The percent of the state's population that receives enhanced 9-1-1 service.

Rationale: As suggested by the Legislative Auditor, the percent of the population that receives basic 9-1-1 service is no longer reported since it approaches 100 percent. InterTech continues to report the conversion to enhanced 9-1-1 as the agency responsible for the special revenue fund. In addition, 9-1-1 reflects the availability of critical services to citizens of the state. InterTech's role continues to be one of promoting, coordinating, and encouraging 9-1-1 service.

Data Source: The data is derived from the counties' 9-1-1 contracts.

DISCUSSION OF PAST PERFORMANCE:

Increasing the population served by enhanced 9-1-1 depends upon the initiative and resources of the county. Implementing an enhanced 9-1-1 system is a complex process of up to two years' duration. This process involves defining public safety agency boundaries, developing and implementing mapping systems, building an Automatic Location Identification database, and procuring new 9-1-1 answering equipment. Converting from basic to enhanced 9-1-1 is a county decision, which often depends upon the county's funds available to invest in implementation. The extent of InterTech's control over the pace of these projects is limited; however, InterTech encourages resolution of issues which may stand in the way of cooperation between the telephone companies and government entities involved.

PLAN TO ACHIEVE TARGETS:

Despite InterTech's limited control over the installation of enhanced 9-1-1 service, a goal of 5 percent growth in population coverage is targeted for the reporting period.

OTHER FACTORS AFFECTING PERFORMANCE:

SUMMARY

AGENCY: Administration, Department of
 PROGRAM: 03 - Facilities Management Bureau - Real Estate Management, Division of

EXPENDITURES AND STAFFING (F.Y. 1994)

(\$ in Thousands)

Total Expenditures:	\$	440
From State Funds	\$	
General	\$	440
Revolving	\$	
Other	\$	
From Federal Funds	\$	

Number of FTE Staff:	5.3
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PROGRAM GOALS:

The goal of this program is to provide space for state agencies that best and most economically meets their needs.

DESCRIPTION OF SERVICES:

Agency square footage requirements are developed according to space guidelines and standards. Other criteria such as location, public transportation and parking needs, and budget parameters are also determined. Available real estate is identified and an evaluation is made on which property best meets an agency's requirements and criteria most economically. Space planning is accomplished to determine space improvements required to meet agency space needs. Terms and conditions of a lease agreement are negotiated and drafted. A project schedule is developed and the lease agreement is managed.

BACKGROUND INFORMATION:**MEASURES OF ACTIVITIES (A), WORKLOAD (W), UNIT COSTS (UC), OTHER DATA (O)**

<u>Type</u>	<u>Measure</u>	<u>F.Y. 1993</u>	<u>F.Y. 1994</u>
A	Departmental leases in effect	94	98
W	Departmental lease transactions	125	145
A	Departmental office square feet leased	1,246,976	1,093,433
UC	Operation cost per departmental office square foot	\$.03	\$.03
A	Commercial leases in effect	809	650
W	Commercial lease transactions	476	451
A	Commercial office square feet leased	2,468,976	2,679,970

1994 Annual Performance Report

UC	Operation cost per commercial office square foot	\$.12	\$.11
A	Income leases in effect	129	122
W	Income lease transactions	94	97
UC	Cost per income lease transaction	\$389	\$389

PROGRAM DRIVERS:

Agency program changes affect the workload of the Real Estate Management Division. An example is the Department of Human Services program to place regional treatment center residents in community-based homes. The division will be leasing or acquiring sixty to seventy new residential and day-training facilities over the next three years.

Reorganization and agency mergers have also impacted the Real Estate Management Division's workload. The merger of the higher education agencies will increase the division's workload substantially. The division will also be responsible for providing real estate services to an additional 34 technical colleges as of July 1, 1995.

The "Strategic Plan for Locating State Agencies" documents life-cycle cost savings derived from owning real estate as opposed to leasing. The division will be analyzing alternatives and acquiring property on a case-by-case basis.

Consolidation and collocation of fragmented agencies continues to be a priority. Recent consolidations and collocations have been implemented for the Department of Health, Department of Public Safety and waste management agencies. Future consolidations and collocations will be studied for the Department of Human Services, education-related agencies and Department of Administration divisions delivering support services.

AGENCY: Administration, Department of
PROGRAM: Facilities Management Bureau - Real Estate Management, Division of

OBJECTIVE, MEASURE

Objective 1: Negotiate leases to maintain a 4 percent annual savings in Real Estate Management Division negotiated rent as compared to market rent.

Measure (1): The annual ratio between market rent and negotiated rent.
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Actual Performance	<u>F.Y. 1992</u>	<u>F.Y. 1993</u>	<u>F.Y. 1994</u>	<u>F.Y. 1995</u>	<u>F.Y. 1996</u>	<u>F.Y. 1997</u>
	NA	NA	3.6%			

DEFINITION, RATIONALE, DATA SOURCE:

The annual ratio, which indicates monetary savings, is a result of the total annual negotiated rent divided by the total annual market rent. Market rent is established by real estate market conditions and is an industry benchmark for evaluating real estate transactions. Market rent is typically the asking rent.

The Commissioner of Administration has the authority to lease non-state-owned real estate for the benefit of state agencies to conduct their operations and deliver their programs and services. The division ensures compliance with state rules, regulations, statutes, and laws while meeting state agencies' needs within prescribed space guidelines and standards. The effect of negotiations is to obtain favorable lease terms, conditions, and rent. The measure for this objective demonstrates the cost-effectiveness of negotiations.

The annual ratio which indicates monetary savings will be calculated from data maintained on market rent and negotiated rent amounts for commercial leases.

DISCUSSION OF PAST PERFORMANCE:

Although the state has been paying rates within or below market rental rates, data has not been kept documenting how much has been saved as a result of effective negotiations.

PLAN TO ACHIEVE TARGETS:

Existing market rates and real estate conditions will be documented and the information will be used by staff to negotiate lease rates. Team approaches will be used to develop negotiation strategies.

OTHER FACTORS AFFECTING PERFORMANCE:

The difference between market rental rates and negotiated rental rates is affected by the lessor's financing and its expected return on investment. Market factors such as supply and demand will also affect rental rates. A surplus of property may drive rental rates downward and, conversely, a scarcity of property may drive rents upward. Building code revisions and other regulatory factors, such as the adoption of indoor air quality codes and the American with Disabilities Act, also impact rental rates upward due to the increased cost of required building modifications.

Objective 2: Maintain annually a 75 percent or better satisfaction rating from customer surveys on division services.

Measure (1): Survey customers to determine customer satisfaction.

Actual Performance	<u>F.Y. 1992</u>	<u>F.Y. 1993</u>	<u>F.Y. 1994</u>	<u>F.Y. 1995</u>	<u>F.Y. 1996</u>	<u>F.Y. 1997</u>
	NA	NA	NA			

DEFINITION, RATIONALE, DATA SOURCE:

The measure will be calculated by adding the average of each survey response and dividing it by the total number of survey responses.

The goal of the program is to provide space to meet state agency needs. A customer survey will measure whether state agencies space needs are being met.

The information to measure the objective will be obtained from customer surveys.

DISCUSSION OF PAST PERFORMANCE:

Past customer surveys have indicated the division is meeting customer needs. However, statistical data indicating the level of satisfaction have not been calculated.

PLAN TO ACHIEVE TARGETS:

A survey will be developed to obtain information from customers as to their level of satisfaction with the space provided through the division's leasing services.

OTHER FACTORS AFFECTING PERFORMANCE:

Agencies may perceive that the division is responsible for those items over which it has very little control such as the responsiveness of a lessor to address issues or compliance with lease terms and conditions. Due to limited leasing staff during peak workloads, an agency's needs may not be addressed as soon as it would like, perhaps resulting in a lower customer satisfaction rating. In some cases, the agency staff person working with leasing staff during the project may not be the person who completes the survey.

SUMMARY

AGENCY: Administration, Department of
PROGRAM: 03 - Facilities Management Bureau - Plant Management

EXPENDITURES AND STAFFING (F.Y. 1994)

	(\$ in Thou- sands)
Total Expenditures:	\$ 31,554
From State Funds	\$
General	\$ 973*
Revolving	\$ 24,698
Other	\$ 1,398
From Federal Funds	\$
 Number of FTE Staff:	 225.8

* Does not include \$4,485,000 from general fund for in lieu of rent.

PROGRAM GOALS:

- To efficiently operate and maintain buildings under Plant Management's jurisdiction. (M.S. 16B.24)
- To improve waste reduction, reuse, and recycling opportunities for state offices and operations. (M.S. 115A.15, 115A.151)
- To improve the use of energy in state-owned and wholly leased buildings. (M.S. 16B.32)
- To increase the use of alternative forms of transportation in the Capitol Complex area. (M.S. 16B.58)

DESCRIPTION OF SERVICES:

Plant Management exists to maintain facilities managed by the Department of Administration, promote energy conservation opportunities on a statewide basis, facilitate the recovery of materials, and manage state-owned parking facilities in the Capitol Complex.

The Complex Operations activity maintains and operates buildings under the jurisdiction of Plant Management to ensure a healthy building environment for all tenants. (See building list under Objective 2, Other Factors Affecting Performance.)

The Technical Services activity provides traditional trades services for maintaining and repairing buildings under the jurisdiction of the division and focuses on the efficient use of energy in all state-owned and wholly-leased facilities.

The Complex Services activity provides grounds and snow removal services in the Capitol area, operates the State Recycling Center, and provides resource recovery education, promotion, and assistance to state agencies; material delivery services are also provided by this activity.

The Support Operations activity coordinates parking services in the Capitol area and provides administrative support to all other activities in the program.

BACKGROUND INFORMATION:

MEASURES OF ACTIVITIES (A), WORKLOAD (W), UNIT COSTS (UC), OTHER DATA (O)

<u>Type</u>	<u>Measure</u>	<u>F.Y. 1993</u>	<u>F.Y. 1994</u>
W	Gross square feet of building space maintained. (000)	2,987	2,990
W	Tons of material recovered for reuse from the Capitol Complex.	824	870
O	Energy costs saved for State Agencies through fuel negotiations by the Energy Management activity. (000)	\$246	\$185
A	Number of state personnel trained through the Energy Manage activity.	321	340
W	Number of special events coordinated.	192	204
O	Cafeteria sales on the Capitol Complex. (000)	\$870	\$887
O	Materials Transfer activity sales. (000)	\$492	\$492

PROGRAM DRIVERS:

Energy Retrofit Work - The State of Minnesota and Northern States Power have entered into an agreement to provide complete energy retrofit work in state facilities served by Northern States Power. Northern States Power is providing the State of Minnesota \$3,000,000 per year for five years, beginning in 1992, in the form of a no-interest loan to complete this retrofit work. After retrofit projects have been completed, energy savings are paid back into a loan pool maintained by Northern States Power. The funds in this pool can then be used for additional retrofit work in state facilities served by Northern States Power. The State of Minnesota and Minnegasco have entered into a similar agreement, in the amount of \$300,000 per year for two years, beginning in 1994, for facilities receiving service through Minnegasco.

Resource Recovery - In order for this activity to be effective, tenants will need to participate in education and training activities and will need to actively participate in collecting and sorting materials they are generating. Without tenant participation, materials are disposed of before they can be recovered for reuse or recycling.

Transportation Services - The Strategic Plan for Locating State Agencies focused on transportation demand in the Capitol area and the importance of the development of programs encouraging fewer single-occupancy vehicles in the Capitol area. Fewer single-occupancy vehicles will reduce traffic congestion in the Capitol area, promote pollution prevention, and reduce construction costs for new parking facilities.

1994 Annual Performance Report

AGENCY: Administration, Department of
PROGRAM: Facilities Management Bureau - Plant Management

OBJECTIVE, MEASURE

Objective 1: Control annual operating cost increases at or below the rate of inflation.

Measure (1): Projected increase/(decrease) in lease rates.

Actual Performance	<u>F.Y. 1992</u>	<u>F.Y. 1993</u>	<u>F.Y. 1994</u>	<u>F.Y. 1995</u>	<u>F.Y. 1996</u>	<u>F.Y. 1997</u>
Projected Increase	1.2%	2.8%	3.2%	1.3%	1.9%	2.3%
Inflation Factor	4.5%	4.5%	3.5%	3.5%	3.0%	3.0%

DEFINITION, RATIONALE, DATA SOURCE:

Lease rates include operation and maintenance expenses, salaries, utilities, bonding, and depreciation.

Inflation factors are from the Department of Finance and lease rates are from Plant Management's rate packages.

DISCUSSION OF PAST PERFORMANCE:

Historically, lease rate increases have been below the rate of inflation.

PLAN TO ACHIEVE TARGETS:

Through Plant Management's reorganization efforts, all staff are encouraged to ensure fiscal responsibility with budget management occurring at the first-line supervisory level and continuing upward throughout the entire activity.

OTHER FACTORS AFFECTING PERFORMANCE:

Lease rates are affected whenever funds are bonded for new construction or capital improvements are completed in facilities under this activity's jurisdiction. Examples of this affect can be seen in F.Y. 1993 and F.Y. 1994, which show a greater than average increase in lease rates due to the addition of two new buildings on the Capitol Complex.

OBJECTIVE, MEASURE

Objective 2: Provide high quality housekeeping and maintenance services and increase satisfaction level by 4 percent annually.

Measure (1): Tenant satisfaction rating based on past service interviews.

Actual Performance	<u>F.Y. 1992</u>	<u>F.Y. 1993</u>	<u>F.Y. 1994</u>	<u>F.Y. 1995</u>	<u>F.Y. 1996</u>	<u>F.Y. 1997</u>
Satisfaction Level				65%e	69%e	73%e

DEFINITION, RATIONALE, DATA SOURCE:

The State of Minnesota and Northern States Power have entered into an agreement to provide complete energy retrofit work in state facilities served by Northern States Power. Northern States Power is providing the State of Minnesota \$3,000,000 per year for five years in the form of a no-interest loan to complete this retrofit work. After retrofit projects have been completed, energy savings are paid back into a loan pool maintained by Northern States Power. The funds in this pool can then be used for additional retrofit work in facilities served by Northern States Power. The State of Minnesota and Minnegasco have entered into a similar agreement, in the amount of \$300,000 per year for two years, beginning in 1994, for facilities receiving service through Minnegasco.

The development of these types of partnerships with utility companies and state government provides for facility improvements and helps utility companies meet state requirements for energy efficiency improvement.

DISCUSSION OF PAST PERFORMANCE:

Projects completed to date include Normandale Community College, North Hennepin Community College, Anoka Ramsey Community College, St. Cloud Correctional Facility, and the state Administration Building. Electric energy use has been reduced by an overall 27 percent in these facilities. The increase in heating degree days is the primary reason for the increase in BTU per square foot during F.Y. 1993.

PLAN TO ACHIEVE TARGETS:

This activity will continue to enter into partnerships with utility companies to continue energy efficiency improvements. In addition, this activity will continue to provide training for facility operators in state-owned buildings.

OTHER FACTORS AFFECTING PERFORMANCE:

Changes in weather conditions, facility energy load, and facility operation can impact energy consumption.

Objective 5: Increase the number of registered carpools by 4 percent annually.

Measure (1): Number of carpool participants .

Actual Performance	<u>F.Y. 1992</u>	<u>F.Y. 1993</u>	<u>F.Y. 1994</u>	<u>F.Y. 1995</u>	<u>F.Y. 1996</u>	<u>F.Y. 1997</u>
Registered Carpool Participants	not avail.	587	494*	514e	534e	555e
Increase from Previous Year						

* Decrease from F.Y. 1993 due to relocation of Department of Transportation personnel outside of the Capitol area.

DEFINITION, RATIONALE, DATA SOURCE:

It is not possible to directly measure the number of people arriving at the Capitol Complex in single occupancy vehicles. However, this can be measured qualitatively by monitoring the number of registered carpool participants as a percentage of employees working on the Capitol Complex. Data is not currently available to complete this measurement and a baseline will be established in Fiscal Year 1995.

DISCUSSION OF PAST PERFORMANCE:

Participation with MN Rideshare began during Fiscal Year 93; the original program was based upon developing an effective system to register carpools. Through the Strategic Plan for Locating State Agencies, Plant Management began to evaluate mechanisms to expand carpool participation in the Capitol area.

Plant Management provides new contract holders with information on participating in carpools as well as alternative transportation options when contract holders renew contracts.

PLAN TO ACHIEVE TARGETS:

This activity anticipates hiring a transportation coordinator to develop programs to decrease the number of single occupancy vehicles traveling to the Capitol area. This will include updating all existing parking rules and policies to promote alternate forms of transportation.

OTHER FACTORS AFFECTING PERFORMANCE:

Employee resistance to participate in alternate forms of transportation.

SUMMARY

AGENCY: Administration, Department of
 PROGRAM: 03 - Facilities Management Bureau - Building Codes and Standards

EXPENDITURES AND STAFFING (F.Y. 1994)

(\$ in Thou-
sands)

Total Expenditures:	\$	1,820
From State Funds	\$	
General	\$	1,820
Revolving	\$	
Other	\$	
From Federal Funds	\$	

Number of FTE Staff: 27.3

PROGRAM GOALS:

To establish minimum construction standards ensuring safe use and occupancy of all new or remodeled buildings.

DESCRIPTION OF SERVICES:

The division promulgates, administers, and enforces the Minnesota State Building Code by providing for education and training programs, plan review and inspections of buildings, and monitoring of municipal code enforcement programs.

BACKGROUND INFORMATION:**MEASURES OF ACTIVITIES (A), WORKLOAD (W), UNIT COSTS (UC), OTHER DATA (O)**

<u>Type</u>	<u>Measure</u>	<u>F.Y. 1993</u>	<u>F.Y. 1994</u>
A	Education/Training Programs	50	60
	Number of Attendees	1250	1300
W	Plan Reviews	1000	1100
W	Projects Inspected	700	750
A	Monitoring/Auditing	300	350

PROGRAM DRIVERS:

Economy

Public building, state-licensed facility, manufactured housing and elevators are all directly related to economic swings. These projects increase or decrease based on needs and new regulations.

Insurance Rating of Inspection Departments

Insurance companies are establishing an insurance rating system based on code enforcement within a jurisdiction. This will increase the demand for services from the noncode enforcement jurisdictions in Minnesota (approximately 470 cities and 70 counties).

New Federally Mandated Programs

Radon, indoor air quality, lead abatement, and asbestos abatement will create need for more rules relating to construction industry and safe buildings.

ADA

Approximately 470 cities and 70 counties are not enforcing any accessibility code within their jurisdiction.

AGENCY: Administration, Department of
PROGRAM: Facilities Management Bureau - Building Codes and Standards

OBJECTIVE, MEASURE

Objective 1: Affect an annual 2 percent increase in municipalities adopting accessibility code or MSBC.

Measure (1): Percent annual increase in municipalities adopting code.

Actual Performance	<u>F.Y.</u>	<u>F.Y. 1993</u>	<u>F.Y. 1994</u>	<u>F.Y. 1995</u>	<u>F.Y. 1996</u>	<u>F.Y. 1997</u>
Municipalities Adopting code						
MSBC		16	16	17e	19e	21e
Accessibility		5	5	17e	24e	26e

DEFINITION, RATIONALE, DATA SOURCE:

Consumers and contractors are all supportive of minimum construction standards in all areas of state. ADA has made all municipalities more aware of accessibility codes. An increase in the number of municipalities adopting the code will demonstrate acceptance by municipalities of the need to enforce safety and accessibility standards in their jurisdiction.

DISCUSSION OF PAST PERFORMANCE:

Data comes from Building Code division reports. Division has two (2) field representatives who provide assistance to municipalities about readoption of MSBC or accessibility code.

PLAN TO ACHIEVE TARGETS:

Division has established two new certification levels (building official limited and accessibility specialist) enabling noncode jurisdictions an avenue for enforcement.

OTHER FACTORS AFFECTING PERFORMANCE:

Division has only two staff to monitor 75 construction projects and assist approximately 540 jurisdictions requesting information or assistance. ADA and proposed insurance rating of inspection departments are encouraging more municipalities into adopting recognized minimum safety standards.

Objective 2: Maintain annually a 90 percent or higher satisfaction rate for education and training seminars and programs.

Measure (1): Satisfaction rating based on post-session surveys.

Actual Performance	<u>F.Y.</u>	<u>F.Y. 1993</u>	<u>F.Y. 1994</u>	<u>F.Y. 1995</u>	<u>F.Y. 1996</u>	<u>F.Y. 1997</u>
Bldg. Code Seminars	25	25	25	15e	25e	25e
Mfd Hsing Seminars	17	23	15	8e	15e	15e
Elevator Seminars	5	5	5	5e	10e	10e
Satisfactory performance in %	90	92	92	95	95	95

DEFINITION, RATIONALE, DATA SOURCE:

Education and training programs provide avenue for division to update all persons involved in the construction industry with new safety codes, new materials, and new technology. Surveys will be completed by all attendees to provide the data. It is assumed that continued education will result in a more uniform administration of the code.

DISCUSSION OF PAST PERFORMANCE:

Today's codes are becoming more and more technical. Continued education is a must if the division hopes to maintain uniform application.

PLAN TO ACHIEVE TARGETS:

Provide more training and education programs to building officials, design professionals, and construction industry.

OTHER FACTORS AFFECTING PERFORMANCE:

Staff limitations allow only enough time to provide minimum training to building officials. Additional staff could provide more training for design professionals and construction industry.

Objective 3: To complete plan review and inspections of new or remodeled buildings on 100 percent of projects submitted.

Measure (1): Number of inspections and plan reviews completed.
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Actual Performance	<u>F.Y. 1992</u>	<u>F.Y. 1993</u>	<u>F.Y. 1994</u>	<u>F.Y. 1995</u>	<u>F.Y. 1996</u>	<u>F.Y. 1997</u>
Public buildings and state licensed	545	539	525	425e	425e	425e
Elevators	600	650	700	750e	800e	800e
Manufactured Housing						
-Mobile	52	40	65	65e	65e	65e
-Prefab	133	125	146	150e	150e	150e
Projects completed in percentage (%)	100	100	100	100e	100e	100e

DEFINITION, RATIONALE, DATA SOURCE:

Division performs plan reviews and inspections on contracts to local jurisdictions to ensure building projects are designed and built in compliance to MSBC. While this may not be a good outcome measure, this is a program of enforcement/prevention. The desired outcome is the health, safety, and welfare of all Minnesota citizens, but we have no way to measure that. Data comes from p.c. based tracking systems reported monthly.

DISCUSSION OF PAST PERFORMANCE:

Division contracts projects to local jurisdictions and does all other projects in noncode areas. No project submitted has gone unreviewed or uninspected.

PLAN TO ACHIEVE TARGETS:

Division staff review plans and contract inspectors are hired to inspect projects in non code areas of state.

OTHER FACTORS AFFECTING PERFORMANCE:

Appropriated dollars to fund plan review and inspection may not be sufficient to do the work in a timely manner, thus causing delays in the work.

SUMMARY

AGENCY: Administration, Department of
PROGRAM: 03 - Facilities Management Bureau - Building Construction

out

EXPENDITURES AND STAFFING (F.Y. 1994)

(\$ in Thousands)

Total Expenditures:	\$	4,370
From State Funds	\$	
General	\$	1,980
Revolving	\$	
Other	\$	786
From Federal Funds		1,604
Number of FTE Staff:		28.5

PROGRAM GOALS:

To assist the legislative process for making informed capital investment decisions according to a fair, open, and objective process and effectively manage those investment decisions through the design, construction, and life cycle processes.

To save time and money by providing in-house professional services that are frequently required by government agencies who operate and maintain buildings.

(NOTE: Statutory references to expand the understanding of the program are Minnesota Statutes 16A.11, 16A.630, 16B.04, 16B.33, 16B.335, Subd. 1, 2, 3, 4, 5, Laws of Ch. 345 and Sect. 17 Subd. 4, Laws of Ch. 613 Art. 4 Sec. 13).

DESCRIPTION OF SERVICES:

Building Construction Services exist to provide a catalyst for pre-design planning, design, constructing, and maintaining the state's building infrastructure.

A newly created capital budget group activity works in partnership with the Department of Finance and client agencies to establish a six-year planning horizon to refine in a more professional manner the way capital budget projects are developed and brought forward for consideration by the Governor and the Legislature. They concentrate on cost planning and other predesign topics that provide clarity to the needs of a proposed building project or other capital improvement that has been determined by the agency to be strategically important to its needs.

The Capital Budget group also focuses on developing knowledge and information about existing buildings and infrastructure

to determine the most favorable alternative to satisfy the space requirements of agency programs. They are creating a statewide concept in managing existing capital assets through the development of a statewide building inventory, a building classification system of conditions, planned maintenance programs, and the management of a statewide Capital Asset Preservation and the Replacement Account (CAPRA), all of which place greater emphasis on the preservation of the state's existing capital assets.

Once the predesign work of the Capital Budget group has established an approved concept, the design and construction group activity administers design and construction services for the projects on behalf of its clients/agencies. Major services include Designer Selection Administration (MS16B.33), contract management, management of design services, and construction management.

The in-house professional services activity provides timely solutions to a wide array of building related occurrences that could threaten life safety, health, and operational functions of state entities. Building Construction provides an in-house team of architects, engineers, facilities technicians, and support staff who are well-versed in dealing with building operations, maintenance, remodeling, and repair. It has developed master contracts which are available to all state and local units of government that provide an avenue for quick response to both emergency and other needs. Occurrences most frequently dealt with include building accessibility (ADA), hazardous materials abatement, utility failures, indoor air quality, pollution control, boiler plant operations, electrical, structural, roof, and other building components. Matters dealing with construction issues of a contractual nature are also dealt with frequently. Virtually all state agencies and several local units of government use the services provided under this activity.

BACKGROUND INFORMATION:

MEASURES OF ACTIVITIES (A), WORKLOAD (W), UNIT COSTS (UC), OTHER DATA (O)

<u>Type</u>	<u>Measure</u>	<u>F.Y. 1993</u>	<u>F.Y. 1994</u>
W	Number of Invoices Processed	2700	2800
O	Prompt Payment Percentage (MS 16A.124)	99.8	99.2
A	Professional/Technical M Contracts	300	380
A	Facility Audit Surveys	0	700
A	On Site Facility Spot Checks *	0	0
W	Capital Budget Site Visits	0	50
W	CAPRA Applications Reviewed	200	50
W	CAPRA Projects Funded	75	20
W	Pre Design Reviews *	0	0
A	Pre Design Seminars *	0	0
W	Capital Budget Requests Reviewed	0	160
W	Pre Design Consulting Projects *	0	0
W	Facility Management Consulting Projects *	0	0

* These measures with zeros represent activities of a new program to be used as future measures.

PROGRAM DRIVERS:

The creation of a new, disciplined capital budgeting process by the Governor and Legislature requires a new agenda for the Building Construction Division. Designed to discourage the forces of local political interest, the new legislation focuses on the production of more in-depth information that identifies long-term statewide capital needs which are validated by "big picture" strategies and sound economic decisions. Under the former system, program needs were often ill-defined, not linked

to the agencies strategic plan, and lacked information to identify the basis of scope, cost, and schedule. Consequently, projects were often delayed and scaled back to fit within existing appropriations or deferred to a future request. Although most projects were completed within reasonable standards of proficiency, there was a considerable amount of inefficiencies. The new process incorporates sound predesign planning principles that initially identify the important basic elements of a project for less than one percent of its cost. This places the project on a course by which its outcome can be measured against the initial planning criteria.

An aging building infrastructure coupled with limited financial resources has created a statewide problem of maximizing the life of its existing capital assets and balancing the expenditures between existing building needs and merit based new construction for expanding social programs.

New state legislation dealing with information technology as a component of planning facilities emphasizes the growing need for the strategic planning and predesign requirements developed in the new Capital Budget Reform Process.

Federal, state and local Heritage Preservation Acts have created new challenges for preserving state buildings, some of which are structurally flawed and no longer serve the needs of modern day programs.

Federal and state legislation. Greater emphasis on life safety, health, environmental, and energy conservation has placed high demand on designers to meet the challenge of facilities licensing and certification programs, new fire codes, air quality standards, hazardous materials management (asbestos, underground storage tanks, lead), and more stringent building codes.

Changes in sentencing guidelines for convicted criminals has caused critical over-crowded conditions in correctional facilities resulting in a multitude of increased demands for planning and design services to meet the demands of security and safety for citizens, employees, and prisoners.

The federal Americans with Disabilities Act has created a legal responsibility for the state to bring thousands of buildings into compliance for accessibility within a short duration.

AGENCY: Administration, Department of
PROGRAM: Facilities Management Bureau - Building Construction

OBJECTIVE, MEASURE

Objective 1: Utilize predesign information to increase the success of capital investments completed within program parameters of scope, cost, and time.

Measure (1): SCOPE (Square Footage Planned vs. Square Footage Constructed)

Actual Performance	<u>F.Y. 1992</u>	<u>F.Y. 1993</u>	<u>F.Y. 1994</u>	<u>F.Y. 1995</u>	<u>F.Y. 1996</u>	<u>F.Y. 1997</u>
Number of Projects				30e	45e	50e
(est.)						

Measure (2): COST (Plan vs. Actual Project Cost)

Actual Performance	<u>F.Y. 1992</u>	<u>F.Y. 1993</u>	<u>F.Y. 1994</u>	<u>F.Y. 1995</u>	<u>F.Y. 1996</u>	<u>F.Y. 1997</u>
Number of Projects				30e	45e	50e
(est.)						

Measure (3): TIME (Plan vs. Date of Substantial Completion)

Actual Performance	<u>F.Y. 1992</u>	<u>F.Y. 1993</u>	<u>F.Y. 1994</u>	<u>F.Y. 1995</u>	<u>F.Y. 1996</u>	<u>F.Y. 1997</u>
Number of Projects				30e	45e	50e
(est.)						

*These represent pre-design activities which determine the base line for future measure of actual parameters for the duration of the project.

DEFINITION, RATIONALE, DATA SOURCE:

All 1994 capital improvement projects are required to go through a new disciplined predesign stage to establish basic elements of scope, cost, and time schedule. Measuring these projected elements of the predesign documents against actual occurrences will provide an indication of the ability of the process to influence the projected outcome. This is the beginning of a six-year planning process which is designed to produce greater project accountability. Data will be updated each biennium in accordance with the new capital budget process.

DISCUSSION OF PAST PERFORMANCE:

Historically, capital budget requests have often been poorly defined at the time of funding with more emphasis being placed on political lobbying efforts to support the project than on project detail. As a result of failure to plan, projects have had to be scaled back, delayed, or phased to balance the toll of missing elements and resulting cost increases as they surfaced during the design process. Although project schedules and budgets have generally been met successfully, there are no comparative measurements that are retrievable. Automated data bases and the new statewide accounting system will provide better opportunities to measure cost and time performance in the future.

PLAN TO ACHIEVE TARGETS:

Cost estimates associated with capital budget requests have frequently been reduced while bonding bills were being debated by the Legislature. Absent detail about the impact of those reductions, there was little knowledge as to what sort of jeopardy was being placed on the project. The Legislature is entitled to know the impact of their cost-cutting decisions. Predesign cost plans will provide important data to either support the project as planned or provide the detail of where reductions can be properly addressed

OTHER FACTORS AFFECTING PERFORMANCE:

While the new capital budget process will provide the necessary baseline guidance for a project from inception to occupancy, there is an abundance of situations that can cause a project to miss schedule and budget. To name a few: changes in agency programs, economic conditions, strikes, acts of God, contractor performance, contractual disputes, bid irregularities causing rebids, confusion over legislative intent, subsurface soil conditions, and changes in codes imposed by regulatory agencies.

Objective 2: Provide in-house professional/technical consulting services for hourly rates averaging at least 50 percent less than the private sector and full project design services for less than 30 percent of that charged by the private sector.

Measure (1): Private Consultant vs. D.S.B.C. In-House Hourly Rates

Actual Performance	<u>F.Y. 1992</u>	<u>F.Y. 1993</u>	<u>F.Y. 1994</u>	<u>F.Y. 1995</u>	<u>F.Y. 1996</u>	<u>F.Y. 1997</u>
Architect Private	78.00	80.34	82.75	85.23e	87.78e	90.42e
Architect In-House	27.25	28.07	28.91	29.78e	30.67e	31.59e
% less	65	65	65	65e	65e	65e
Engineer Private	73	75.19	77.45	79.77e	82.16e	84.63e
Engineer In-House	25.73	26.50	27.30	28.12e	28.96e	29.83e
% less	65	65	65	65e	65e	65e
Drafting Technician Private	36.14	37.22	38.34	39.49e	40.68e	41.90e
Drafting Technician In-House	19.49	20.07	20.68	21.30e	21.94e	22.59e
% less	46	46	46	46e	46e	46e
Roofing Design Private	102.50	105.58	108.74	112.00e	115.36e	118.83e
Roofing Design In-House	19.65	20.24	20.85	21.47e	22.12e	22.78e
% less	81	81	81	81e	81e	81e
Interiors Design Private	60.00	61.80	63.65	65.56e	69.53e	69.56e
Interiors Design In-House	19.65	20.24	20.85	21.47e	22.12e	22.78e
% less	67	67	67	67e	67e	67e

(D.S.B.C. does this work for an average of 65 percent less than private outside consultants.)

Measure (2): Private Consultant & In-House Ranges as in Percentage of Small Projects
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Actual Performance	F.Y. 1992	F.Y. 1993	F.Y. 1994	F.Y. 1995	F.Y. 1996	F.Y. 1997
Outside Consultant	12%	12%	12%	12%e	12%e	12%e
DSBC In-House Staff	3%	3%	3%	3%e	3%e	3%e
Percent less	75%	75%	75%	75%e	75%e	75%e

DEFINITION, RATIONALE, DATA SOURCE:

The workload in Building Construction consists of a wide variety of projects, many of which can be accomplished more efficiently and economically with in-house staff. Building Construction must hire consultants when workload exceeds staff hours to accomplish this work in order to meet the time requirements of the client/agency. Consultants are paid both by hourly rates and by a percentage of the actual construction cost of the project. Measures of both hourly and percentage costs show that Building Construction costs are substantially less than the private sector. In the case of both private and in-house services, the quality of service is the same. D.S.B.C. staff is highly experienced but limited in size versus workload, thereby requiring the use of outside private consultants.

This measure is relevant because it shows the direct cost savings derived from in-house operations vs. consultants and that economies can be achieved since a continued demand for service exists. The new capital budget process has placed emphasis on providing more dollars to preserve existing assets which clearly translates into more demand for services of a type provided more cost effectively with in-house staff. The data source for this evaluation is collected from Building Construction time records and consultant contracts on file. The data is updated annually.

DISCUSSION OF PAST PERFORMANCE:

One internal factor that has significantly affected the in-house professional services activity is an ever-increasing number of secondary responsibilities that have been added to Building Construction's workload. Removal of hazardous materials, asbestos and underground tanks with lead abatement forthcoming, A.D.A., new environmental permitting laws, indoor clean air acts. These responsibilities will continue to reduce the amount of staff hours that had previously been available to prepare plans and specifications for capital renewal, repair, and replacement projects. Budget cuts and hiring freezes have also reduced staff hours available to apply to project development. Consequently, more consultants have been utilized to accomplish projects which would have been done in-house at much less cost.

PLAN TO ACHIEVE TARGETS:

An ongoing automation program has been increasing Building Construction's ability to provide operational efficiencies. A records management program has also increased efficiency by maintaining a cataloged listing of all documents on past and current projects. Efficiencies will continue to improve as personnel become better versed with the full capabilities of the automation systems.

OTHER FACTORS AFFECTING PERFORMANCE:

None

SUMMARY

AGENCY: Administration, Department of
 PROGRAM: 04 - Administrative Management - State Employee Assistance Program

EXPENDITURES AND STAFFING (F.Y. 1994)

(\$ in Thousands)

Total Expenditures:	\$	391
From State Funds	\$	
General	\$	391
Revolving	\$	
Other	\$	
From Federal Funds	\$	

Number of FTE Staff:	6.4
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PROGRAM GOALS:

Reduce the negative effect that state employees' personal, family, and workplace problems have on job performance.

DESCRIPTION OF SERVICES:

1. Provide information, assessment, brief therapy, and referral services for individuals with behavioral health concerns and who are at risk for deteriorating job performance, attendance, or behavior.
2. Provide organizational assistance which deals directly with the work environment, i.e., interpersonal conflicts, communications problems, change and transition issues, grief and loss, and threats of violence in the workplace.

BACKGROUND INFORMATION:**MEASURES OF ACTIVITIES (A), WORKLOAD (W), UNIT COSTS (UC), OTHER DATA (O)**

<u>Type</u>	<u>Measure</u>	<u>F.Y. 1993</u>	<u>F.Y. 1994</u>
A	Number of new individual client cases statewide	1,461	1,737
	■ Services provided by internal EAP staff	626	882
	■ Services provided by contracted vendors	835	855
W	Number of employees participating in organizational services	2,274	2,258

W	Number of management consults re: workplace conflicts	126	174
W	Number of different state agencies served	68	76
UC	Cost per employee for EAP services (annually)	\$9.38	\$9.73

PROGRAM DRIVERS:

1. Worksite interventions involving threats of violence, interpersonal conflicts, or critical incidents are best done by EAP counselors who are part of the work environment and have an understanding of the culture.
 - A. EAP is experiencing increasing demands for assisting state agencies with organizational issues. EAP is well positioned to improve organizational effectiveness by providing management coaching, problem assessment, group work, and skill building activities. Involvement with troubled work organizations is often complex, highly sensitive, and can require ongoing contact.
2. The EAP needs to increase the number of counseling sessions available to individual employees from two to four; by doing so, EAP can better meet employee needs and fill the gap that exists in accessing counseling services through state health insurance benefits.
 - A. EAP's current two-session cap limits problem resolution to many employee issues. The program can reasonably offer more help with problems in living and family problems not covered by insurance plans, (i.e., marital, parent-child, career, grief, and loss).
 - B. Insurance plan providers are increasing EAP's workload by steering troubled clients back to their EAP for counseling services. This trend has resulted because the presenting problems are often not technically considered mental illnesses and do not qualify for coverage under restrictive health care benefits.
 - C. A brief counseling model (one to four sessions), has proven to be effective in other EAPs and could easily be adopted at the state if provided adequate resources.
3. Current demand for existing EAP services is greater than the division is able to provide.
 - A. Delays in being seen for routine EAP services were occasionally a problem in FY94 at EAP's central office and will be exacerbated with the addition of 7,000 technical college employees to the state system on July 1, 1995.
4. An unforeseen economic downturn in state revenues could adversely affect state employment and would likely drive up EAP utilization. Reorganizations, downsizing, hiring freezes, layoffs, and labor relations problems would increase employee stress levels and escalate behavior, attendance, and performance problems.

AGENCY: Administration, Department of
PROGRAM: Administrative Management - State Employee Assistance Program

OBJECTIVE, MEASURE

Objective 1: Demonstrate a positive correlation between EAP utilization and improved work performance by maintaining a 75 percent effectiveness level from survey respondents who have used services.

Measure (1): Survey clients following their use of EAP services, focusing on improved work performance

Actual Performance	<u>F.Y. 1992</u>	<u>F.Y. 1993</u>	<u>F.Y. 1994</u>	<u>F.Y. 1995</u>	<u>F.Y. 1996</u>	<u>F.Y. 1997</u>
	NA	NA	73%*	73%e	74%e	75%e

(*See Discussion of
Past Performance)

DEFINITION, RATIONALE, DATA SOURCE:

Improved work performance is defined as: Improvement in relationship with supervisor, relationships with coworkers, ability to concentrate, general attitude toward work, work attendance, and overall effectiveness on the job. The data source is a survey mailed to 100 clients per quarter. The return rate is approximately 40 percent.

DISCUSSION OF PAST PERFORMANCE:

In FY94, 73 percent of survey respondents agreed or strongly agreed with the statement: "Since the time of my visit(s) to EAP I have been able to improve my overall effectiveness on the job."

PLAN TO ACHIEVE TARGETS:

Service recipients will provide outcome data in an ongoing three month follow-up survey. The focus will measure perceived improvements in overall effectiveness of individual job performance. EAP staff will monitor the measure regularly and take corrective action in its own work plans as indicated by this follow-up.

OTHER FACTORS AFFECTING PERFORMANCE:

1. EAP resources will be stretched in FY95 due to laws enacted involving random drug and alcohol testing. Those employees who test positive will be requested or required to receive evaluation and counseling. As of Jan. 1, 1995, approximately 2500 state employees holding commercial driver licenses will be subject to such testing.
2. Implementing the Statewide Systems Project is a challenging undertaking that requires support for change. Along with it may be layoffs, reorganizations, and a greater need for managing conflict. EAP is relied on for support with these types of organizational interventions.
3. EAP continues interfacing with benefits, training, health promotion, and labor relations; communication and synergy with all facets of human resource management is expected.

SUMMARY

AGENCY: Administration, Department of
PROGRAM: 05 - Information Policy Office

EXPENDITURES AND STAFFING (F.Y. 1994)

(\$ in Thousands)

Total Expenditures:	\$ 1,406
From State Funds	\$
General	\$ 1,406
Revolving	\$
Other	\$
From Federal Funds	\$

Number of FTE Staff: 20.4

PROGRAM GOALS:

- 1) To assure investments in information resources are being managed and implemented appropriately and are in compliance with public information policy.
- 2) To promote understanding and use of and compliance with the Data Practices Act and other laws relating to information.

DESCRIPTION OF SERVICES:

The Information Policy Office is responsible for ensuring that the state's major information management activities are coordinated and well managed. IPO consists of two divisions: Information Strategies and Planning Division (ISPD) and Public Information Policy Analysis Division (PIPA).

The Information Strategies and Planning activity assists state agencies and the legislature by developing and implementing policies, standards and guidelines for information resource management that allow efficient sharing of appropriate data between systems. ISPD also provides support needed for agencies to effectively manage information resources as a business investment.

The Public Information Policy Analysis Division assists government agencies and private organizations in understanding and complying with laws that constitutes public policy about data practices, records management and access to information. PIPA plays a significant role in assisting the legislature and other policy makers in the development of information policy through the enactment of statutes relating to information regulation. The Division also assists citizens by providing information and referral services. On request, PIPA provides advisory opinions concerning the Data Practices Act to government agencies and citizens.

BACKGROUND INFORMATION:**MEASURES OF ACTIVITIES (A), WORKLOAD (W), UNIT COSTS (UC), OTHER DATA (O)**

<u>Type</u>	<u>Measure</u>	<u>F.Y. 1993</u>	<u>F.Y. 1994</u>
A	Number of agency budget requests reviewed	28	9
A	Number of agency RFP's reviewed	2	4
A	Number of educational sessions on public information policy	53	60
A	Number of advisory opinions issued	N/A	45

PROGRAM DRIVERS:

The need to improve the quality and effectiveness of information resource management within government is driven by: (1) the push at both the national and state levels to improve the quality and productivity of government; (2) the rapidly changing availability and capability of technology; and, (3) the changes in what is expected of government - the business needs of government. As more government information and data is accessible and is shared across organizations there will be greater need to address public policy issues.

AGENCY: Administration, Department of
PROGRAM: Information Policy Office

OBJECTIVE, MEASURE

Objective 1: To improve the quality of all Information Resource Management (IRM) budget requests by achieving 85 % compliance with established Information Policy Office (IPO) budget requirements.

Measure (1): Percent of Budget Requests that Respond to all IPO Requirements
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Actual Performance	<u>F.Y. 1992</u>	<u>F.Y. 1993</u>	<u>F.Y. 1994</u>	<u>F.Y. 1995</u>	<u>F.Y. 1996</u>	<u>F.Y. 1997</u>
	N/A	N/A	N/A	85%e	85%e	85%e

DEFINITION, RATIONALE, DATA SOURCE:

Definition:

Eighty five percent of agency budget requests reviewed by IPO include responses to all IPO budget review requirements.

Rationale:

The Information Policy Office is required by Minnesota Statute §16B.41 to review all state agency information resource budget requests before they are submitted to the legislature. Information Resource Management (IRM) is Minnesota's strategic direction for managing information resources. IRM encompasses organization infrastructure, information architecture, data sharing, organization-wide and project planning and a framework for managing information resource development that includes attention to public policy requirements. IRM provides the legislature with assurance that their investments in information resources are being managed and implemented appropriately and are in compliance with public information policy. IPO budget review requirements are IRM based and encourage agencies to follow an IRM approach in planning, managing and implementing information resource projects. Agencies, as they complete the materials required for budget review, will be learning and using IRM.

Data Source:

Data will be collected by IPO on an on-going basis as part of the IPO budget review process. IPO will begin collecting this data in FY 1995.

DISCUSSION OF PAST PERFORMANCE:

A comprehensive set of IRM policies and requirements has been completed and made available to agencies over the past year. It will now be possible to measure agencies response to these IRM based requirements. Since requirements for budget reviews in previous years were not defined in relation to IRM, data is not available for previous years.

PLAN TO ACHIEVE TARGETS:

IPO defines budget review criteria several months before budget requests are due. These requirements are communicated to the agencies in writing and through presentations by IPO staff in the spring and summer of budget preparation years. Sample responses for all requirements are also provided to all agencies. IPO staff thoroughly reviews requirements with agency staff and are available to respond to questions from agencies. Agencies are encouraged to submit their budget requests - even parts of their budget requests - as early as possible so that IPO staff can review the material and notify agencies if required materials are missing.

OTHER FACTORS AFFECTING PERFORMANCE:

Progress depends on legislative support. If the legislature provides funding for agency projects or approaches that do not meet IPO's IRM requirements then progress for that agency is delayed.

Objective 2: To provide education on public information policy requirements maintaining at least a 90% satisfaction level from attenders.

Measure (1): Satisfaction Level for All Education Sessions on Information Policy Requirements as Determined by Post Course Evaluations

Actual Performance	<u>F.Y. 1992</u>	<u>F.Y. 1993</u>	<u>F.Y. 1994</u>	<u>F.Y. 1995</u>	<u>F.Y. 1996</u>	<u>F.Y. 1997</u>
	+ 90%	+ 90%	+ 90%	90%e	90%e	90%e

DEFINITION, RATIONALE, DATA SOURCE:**Definition:**

Attendees' evaluations reflect ninety percent satisfaction for all public information policy educational sessions presented by staff.

Rationale:

Government employees must respond to public policy requirements as defined by statute. Training and education on these requirements need to be provided for understanding and compliance. Without understanding and compliance, the public policy objectives, as set by statute, are not met.

Data Source:

Attendees at all education and training sessions are asked to complete an evaluation of the course, materials, usefulness, etc. This material is on file and available for a number of previous years.

DISCUSSION OF PAST PERFORMANCE:

Generally, PIPA has been able to maintain a high level of customer satisfaction in the education and training area. This summary is based on previous reviews of evaluations completed by attendees at courses offered by PIPA.

PLAN TO ACHIEVE TARGETS:

Developing education sessions and materials that reflect current law, audience needs, are user friendly and to the extent possible, entertaining. Surveys will continue to be used as a means of effectiveness and results will be reflected in planning future educational sessions. Any significant drop in satisfaction levels will be analyzed for cause and remedial action taken.

OTHER FACTORS AFFECTING PERFORMANCE:

Demand for training exceeds supply and the frustration of not being able to receive training can yield satisfaction issues. PIPA is usually not responsible for actual training site environments. Physical environment can greatly affect satisfaction with training. PIPA is usually forced into a "numbers game" for audiences. In the interest of cost effectiveness, we demand larger groups to be trained. Training these very large groups can have a negative effect on satisfaction.

SUMMARY

AGENCY: Administration, Department of
 PROGRAM: 06 - Management Analysis

EXPENDITURES AND STAFFING (F.Y. 1994)

(\$ in Thousands)

Total Expenditures: \$ 1,640

From State Funds \$

General \$ 614

Revolving \$ 991

Other \$ 35

From Federal Funds \$

Number of FTE Staff: 28.8

PROGRAM GOALS:

To provide effective consultation services to state agencies and other units of government

DESCRIPTION OF SERVICES:

MAD is state government's in-house management consulting organization. The mission of the division is to increase the quality and productivity of government through its ability to manage resources and to create and implement effective business strategies. The division provides consultant services to state agencies, the governor, the legislature, and local units of government. Work requested by the governor, legislature, the commissioner of administration, and in support of statewide productivity/quality improvement efforts are funded by the general fund. The division charges fees for work requested by state agencies and local units of government.

BACKGROUND INFORMATION:

	FY93	FY94
Number of separate engagements	90	95
Billable rate	\$66/hr	\$66/hr
Revolving fund revenue	\$672,000	\$1,043,000

The division's statewide general fund activities included: consultation services provided to the Department of Employee

APPENDIX

ACTIVITIES NOT INCLUDED IN PERFORMANCE REPORT

PROGRAM	ESTIMATED EXPENDITURES (In Thousands)	FTE STAFF
Operations Management	334*	4.8
InterTechnologies		
Facilities Management		
Administrative Management	5,601**	41.9
Information Policy Office		
Management Analysis		
TOTAL	5,935	46.7

* Represents Minnesota Office on Volunteer Services

** Includes Governor's Planning Council on Developmental Disabilities (DDC), System of Technology to Achieve Results (STAR), Human Resources, Fiscal Services, Executive Support, and Oil Overcharge

See page 3 for further information on why these activities are not included.